THE FINANCIAL POST

The Canadian Newspaper for Investors

VOL. XIII. SINGLE COPIES, 10 CENTS — PUBLICATION OFFICE: TORONTO, JANUARY 18, 1919 — ANNUAL SUBSCRIPTION $3.00. No. 3

REVENUE THE FIRST CONSIDERATION OF THE GOVERNMENT IN FIXING THE NATIONAL TARIFF SCHEDULES

War Tax Meant $38,000,000 in 1917—Tariff Reformers Have No Practical Suggestions as to Replacing This Amount

INSIDIOUS ARGUMENTS AGAINST PROTECTION

Newspapers Either Grossly Ignorant or Guilty of Dangerous Misrepresentation—The Advantages of Import Duties Are Small to Manufacturer Himself—Need For Campaign of Intelligent Publicity

The Government is disposed to let the tariff alone during the coming session. This is the advice of THE FINANCIAL POST'S Ottawa representative upon a matter which is to-day very important in the commercial and industrial situation. However, there is one factor for uncertainty. The course of the Government may be changed by political currents; if the low tariff element, which is dominated by Western Canadian sentiment, can make a strong enough case, the 7½ per cent. extra war tax may be removed.

And let it be stated emphatically, that the Government is not desirous of maintaining the maximum tariff of 42½ per cent. to satisfy the manufacturers—although that is the picture drawn by tariff reformers for the benefit of the public. Nor are the manufacturers themselves making any demand that it should be maintained—never having demanded it in the first place. The answer is that the Government NEEDS THE MONEY; in other words, it is a TARIFF FOR REVENUE.

During the fiscal year ending in March, 1917, the war tariff—that additional 7½ per cent.—brought the Government about $38,000,000 additional revenue; last year the amount was undoubtedly much greater. But the country's financial burdens are increasing. The Government has to find more instead of less money this year. It is not good business to cut off this source of supply of national funds.

This is just one point to emphasize a fact generally ignored by those who contend for tariff reduction and that is that in Canada the tariff—a tariff which has for years been maintained by both political parties when in power—is primarily a tariff for revenue. The war has increased the country's financial burdens and the need for funds. The weakness of the argument for tariff reduction or free trade is that those who so advocate have no suggestions as to a practical form of direct taxation to supply the necessary money for carrying on the country's affairs.

THE "GLOBE" AND THE TAX ON WOOLLENS

That the Canadian tariff is primarily a revenue raising levy was entirely ignored in the discussion of the duties on woollen goods by the Toronto *Globe* on Monday. The impression which it was evidently intended to convey was that the Canadian manufacturer, after taking a similar profit to the American manufacturer, then took an additional 42½ cents on the dollar from the consumer and put it into his pocket—all of it. Here are a few ways in which the 42½ per cent. tariff is actually distributed:

There is a revenue duty of 37½ per cent. on the cheaper yarns imported from the United States and 27½ per cent. on the more expensive.

There is a revenue duty of 35 per cent on machinery and equipment for the manufacture of woollens. Also on other supplies, including coal, etc.

There is in effect a duty on labor, because of the higher standard of living set by the revenue tariff. Further, developing countries must expect to pay higher wages to induce workers to emigrate.

Other factors making for higher manufacturing costs are not hard to find. And yet, as a matter of fact, THE FINANCIAL POST is informed that prices in Canada for some time have been practically on a par with those in the United States for most woollen products.

Above, the 42½ per cent. tariff is used for illustration and the corresponding tariffs on American imports on the basis established by the *Globe*. As a matter of fact, most of Canada's woollen imports are from Great Britain—both finished goods and yarns—and the lower preferential tariff of 30 and 5 per cent. on finished goods and 12½ and 5 per cent. and 20 and 5 per cent. on cheap and dear yarns respectively would apply.

EDUCATION IS NEEDED

In discussing this question of tariff for revenue it might be pointed out that there are heavy duties on silk and on velvet, neither of which are manufactured in Canada. That we pay a duty on raw sugar, although there is only a small quantity of beet sugar produced here. Further, it may be pointed out for the benefit of the *Grain Growers' Guide*, which recently expressed the opinion that steel producers should be able to get along without protection, that there is a tariff for revenue on the ore, coal, coke, machinery and other supplies brought into Canada by such concerns as the Steel Company of Canada and this revenue goes to lighten the tax burden of the Western farmer in common with other citizens.

THE FINANCIAL POST believes that if the people were educated regarding the tariff, there would be a different attitude towards it. A great many of the newspapers seize upon the opportunity afforded in appealing to a highly suspicious public to arouse their animosity to the manufacturing class. Even the farmer would appreciate, if the case were properly presented to him, that protection is advantageous to the development of a home market for his products and for the manufacture of our raw materials by domestic labor apart from the consideration of revenue.

Canadian manufacturers do not need to present their case by indirect methods. Such efforts are immediately discounted by the suspicion aroused, as in the case of the propaganda of the Reconstruction Association. They have a place in the national economic scheme which needs only to be understood to be appreciated. A candid educational effort would undoubtedly have good results in offsetting the insidious free trade talk of newspapers and politicians.

LAURIER'S FISCAL EXPERIENCE

So far as the textile industry is concerned the present tariff is justified by fiscal history. In 1897 when Sir Wilfrid Laurier came into power he applied a measure of reform in the shape of a preferential tariff on the 35 per cent. general basis. The British preference was made one-eighth, later increased to one-fourth and later made one-third. The result was that the industry was stifled. In view of the situation a complete and thorough investigation was conducted with the result that the Laurier administration in 1904 materially reduced the British preference, placing it on a 30 per cent. basis as compared with the general duty of 35 per cent.

Laurier, elected on a low tariff platform, reduced the British preference to save the Canadian woollen industry in 1904. To-day with thousands of soldiers returning and the prospect of many idle men throughout the country, the low tariff agitators would evidently like to close one of the most important of the country's labor markets, throw thousands of hands out of employment and undermine the investments of millions of dollars.

HURON & ERIE TO OPEN IN TORONTO

Big London Mortgage Organization Buys Janes Property on King Street

Information has been obtained by THE FINANCIAL POST that the Huron and Erie Mortgage Corporation, the important loaning organization with head office at London, has decided to enter the field in Toronto and has bought the Janes property on King Street East, adjoining the Dinnick Building. The sum involved was $205,000.

The Huron and Erie has a subscribed capital of $4,500,000, of which $2,500,000 is paid up, and a reserve of $3,100,000. The last available statement showed assets of $17,646,717, including mortgages of $10,626,306.

CANADIAN LOAN IN UNITED STATES EARLY LIKELIHOOD

Borrowing Restrictions Are Being Lifted By the Treasury

TO RIGHT EXCHANGE

Wide Open Market For Canadian Issues in the United States Likely to be Witnessed Again

By Special Representative

NEW YORK.—A Canadian Government loan in the United States, in the immediate future appears likely. Definite assurances that a modification of regulations preventing the sale of bonds of foreign countries in this country is being considered by the U.S. Treasury Department have already been made, and the new Secretary of the Treasury, Carter Glass, has disclosed that the request has been made by at least one foreign Government to float a loan through the banks of this country at an early date.

"This means Canada?" THE FINANCIAL POST suggested to a Canadian banker in Wall Street.

"Decidedly," was his answer.

The need for Canadian borrowing in this country at this time is immediately clear. Canadian-American trade statistics which are analyzed elsewhere in this issue disclose that at the end of November, being for eleven months of the calendar year 1918, Canada's unfavorable trade balance in this country had reached the somewhat startling total of $397,000,000. Canada's excess of imports from the United States unquestionably exceeded $425,000,000 at the commencement of the new year.

New Loan As Remedy

The only immediate remedy for this unfavorable situation is the flotation of a Canadian loan here, that the Dominion may liquidate its pressing debt to this country. Gold may not be shipped out of Canada, therefore, securities must be disposed of.

Since the commencement of the war Canada has secured $285,000,000 from the United States, of which $45,000,000 has been paid off. The record of Canadian Government borrowings is:

Date.	Amount of Loan.	Maturity.
June, 1915	$45,000,000*	1 and 2 years.
March, 1916	75,000,000	5-10-15 years.
August, 1917	100,000,000	2 years.
June, 1918	65,000,000	
Total loans	$285,000,000	

*Paid off.

To Correct Exchange

A Canadian loan is vital to the remedying of the present position of Canadian exchange. Unless the Canadian Government takes this measure there seems to be nothing to prevent the Canadian dollar dropping to a heavier discount than 2 per cent. In fact for some little time the discount has ruled fractionally more than 2 per cent. Sir Thomas White has said that 2 per cent. discount presents no actual hardship to the Canadian remitter, but more than 2 per cent. creates new vexations and exactions for Canadian manufacturers and others who must buy heavily in the American market.

If Canada were a "down-and-out" neighbor of Uncle Sam, unable even in the ultimate to foot her bills it would be a vastly diffeernt affair. But in her world trade Canada has a During the Curb transactions footfavorable balance so that she might readily liquidate her debt to this

Continued on page 7

THE WEST MAY FORCE REMOVAL WAR TARIFF

But the Policy of the Government Will Be to Let it Alone

Commission Would Bring the Manufacturers and Farmers Together

By Resident Representative

OTTAWA.—It would be an unkindly thing for the Canadian wing of the Manchester School, which has its habitat now almost exclusively west of the Great Lakes, to push to its ultimate conclusion that hardy annual in the way of resolutions which, like King Charles' head in Mr. Dick's memoirs, bobs up automatically, wherever two or three grain growers are gathered together. To do so, and remove the tariff from the domain of Canadian politics, where it has been for so long a useful stalking horse to both parties, would not only detract from the gayety of political life; but, far worse, would deprive the harmless, necessary newspaperman of a never-failing spring of speculation. The tariff is a free-for-all, where any writer may step in and have a round or two, and always be sure of an attentive audience. He may float out little balloons *d'essai*, and so long as he attaches no personality to them, who is to contradict his speculations? We all know that there are widely divergent opinion on this subject; and if you take a small handful of the different sorts, dress them up in a little mysterious allusion, and scatter them abroad, you have a really presentable tariff story which is susceptible of contradiction or affirmation only so far in the future that it easily lasts out the brief life of a newspaper.

The tariff, which so directly affects men's pockets, is a delicate subject to deal with in any country, at any time; and when you have such a condition as we have in Canada, with opinion divided, literally, "as far as the East is from the West," a wise Government does not take the initiative in starting something; when you have a Government composed almost equally of what are historically conflicting tariff policies, it is evident that its very existence depends on leaving tariff questions severely alone. It was on this principle that the Government was formed. This Government has no intention of touching the main tariff during the coming session, particularly with the head of the Government absent. If the question is precipitated, it will be by someone trying to throw the apple of discord into the House.

A Tariff Armistice

There is a difference of opinion on the question as to whether any specific understanding was entered into when Union Government was formed. The general understanding in the country was that it was a war Government, and that controversial questions such as the tariff were to be left severely alone. But man after man of the Western members has publicly stated that he had no such understanding, and made no such promise. There are numbers of hot free traders there who hold themselves free to talk tariff at any time, and it was only the overwhelming importance of the war that stayed their lips during the past session. Prominent politicians on both sides, such as Rogers and Scott, for example, have already publicly declared that the truce, if any, is off; and they are passing around the fiery cross.

There is just a possibility, if the agitation becomes sufficiently insistent, that some action might be taken with regard to the 7½ per cent. war tax. The Government could drop it without making any concession on principle, and acting on the policy of throwing something to the wolves, it would stall off troublesome discussion on the main issue. Ministers, of course, will not talk on such subjects outside of the walls of Parliament; but officials of the Finance Department, whose concern is to secure all the revenues possible, have a warm feeling towards the tax. "It is one of the best measures ever passed," said one of them. "In three years it has produced over one hundred million dollars of revenue. The amount raised by it in 1915-16 was $25,256,787; in 1916-17, $37,830,427; and in 1917-18, over $45,000,000. Can the Dominion afford to throw away this average of thirty-five millions a year;

Continued on page 16

MILLERS' DEMANDS

Will Ask Government to Change Regulations

By Resident Representative

MONTREAL.—Millers will ask the Canadian Government to remove restrictions, abolish the present standard of flour as the United States and England have done, allow mills to have old grades, and remove restrictions on price of mill feeds, so that if these advance the price of flour may come down. Also a request will by made that export orders be assisted in competition with the United States.

ASK GOVERNMENT TO CONTROL ALL WATER POWERS

Opposition Considering a Campaign on That Tack

PRIVATE COMPANIES

Would be Taken Over Under the Development of This Scheme—Opposition Will Be Strong

By Resident Representative

MONTREAL.—A campaign may be launched at the coming session of Parliament by the Opposition for Government control and operation of all the water power in the Dominion of Canada. The subject, THE FINANCIAL POST learns, has been under consideration by a number of prominent politicians and the feeling at present is that it would carry a strong bid for votes among a large section of the electorate. The idea would be to declare all the water powers public property and settle with the companies that are developing these powers by some form of arbitration. If this did not work out readily, some sort of "Big Stick" would be brought into requisition.

The idea, while popular in certain quarters, is meeting with opposition among those who realize the muddle produced in hydro-electric affairs in the Province of Ontario. So far, in the Province of Quebec there has been no evidence of a demand or a desire for public operation of the water powers, as a reasonable form of private operation has proved its advantages as compared with Government ownership in Ontario, not only in an average of lower rates, when industrial and house charges are included, but in a much larger and more efficient development.

It is planned by those who are behind the movement to present it to Parliament in the form of a resolution during the coming session.

CHILDS CO. PROFITS

Deficit $31,979 Compared With Surplus $705,576 in 1917

Annual report of Childs Co. for the year ended Nov. 30, 1918, shows profits of $415,109, as compared with $1,272,657 in the preceding year. The income account compares as follows:

	1918.	1917.	1916.
Profits	$415,109	$1,272,657	$1,075,490
Dividends	447,088	567,081	467,087
Deficit	$31,979	*$705,576	*$608,403
Prev. sur.	1,084,445	759,117	489,134
Total sur.	$1,052,466	$1,464,693	$1,097,537
Reserves*	396,544	380,247	338,420
P. & L. sur.	$655,922	$1,084,446	$759,117

*Depreciation and other reserves.

Combined gross profits of the Childs Co., the Childs Dining Hall Co. and Childs Co., of Providence, for year ended Nov. 30, 1918, amounted to $566.124. Dividends paid totaled $447,380, leaving surplus of $118,744.

GOES TO EUROPE

Montreal Bond Dealer Will Spend Six Months Abroad

R. A. Stephenson, resident partner of the banking firm of Harris, Forbes & Company, Montreal, sails shortly for Europe, where he will spend the next six months in connection with the foreign business of his firm. This trip will take Mr. Stephenson into the important financial centres of England and the Continent. During the last Victory Loan campaign Mr. Stephenson was chairman of the Dominion Publicity Committee.

OUTPUT OF MINES IN 1918 VALUED AT $220,000,000

Gain For the Year of About Thirty Million Dollars

HIGHER PRICES

Quantities of Various Metals Produced Were Not Much Greater, But Values Showed Increases

While the value of the mineral production of the Dominion forms but a small fraction of the value of its agricultural production, yet the output of Canada's mines has contributed in no small degree to swell that total of exports which has helped to build up the nation's favorable balance of trade. For the year just closed, the products of the mines showed a value of approximately $220,000,000, comparing with an estimated agricultural production of $1,396,000,000. The gain in the value of the mineral products for the year was about $30,000,000, or 13.6 per cent.

Increased values, however, by no means represent a corresponding gain in the quantity of the minerals produced and, except in the case of coal and metals required in the munitions industry, there has been practically no expansion in output. This was particularly noticeable in the case of gold, where, of course, quantity and value are practically equivalent terms. The value of the gold produced declined between 1917 and 1918 from $15,272,992 to about $14,750,000. In this particular industry, with the price of gold fixed, the rising cost of mining not unnaturally put a stop to all operations except those of the most profitable nature. From now on a reversal of these conditions may be expected.

Silver mining affords an excellent example of how the value of the product may increase while the output declines. Silver production, which

Continued on page 7

THE POST
THIS WEEK CONTAINS

Page

Shipments of Flour Held Up 2

Readjustment of Prices Will Come Gradually 2

Proposal for French Exhibition Train 2

Should Be Able to Supply More of Our Own Needs 2

Made-in-Canada Brand Popular With the English 7

King Edward Hotel May Pay Dividend 3

$7,300,000 Issue to Retire Old Tramways Notes 3

Labor the Big Factor in Future of Consolidated 6

Packers Worked on Small Margin During 1918 3

Holdings of U. S. Steel in Canada Being Reduced 7

Bank Stocks Still in the Limelight 8

Bookkeeping for the Housekeeper 9

Keeping an Eye on the Retailer and His Affairs 9

Make States' Banking System Like Canada's 9

Canada's Railways and State Control 10

Fair Business Being Done in Bond Market 12

Montreal Bonds Are Now Listed on Exchange 12

Lethbridge's Good Showing in Collections 13

Selling Policy Determined by State of Market 13

Fine Showing by Canadian Life Companies 14

National Life Moves Forward Conservatively 14

Bottoms Are Not Available for Export Trade 15

Employers Show Desire to Learn Labor Viewpoint 16

1918 Building Operations Were on Larger Scale 16

Trade in the U.S. Made New Record in 1918 17

The Advances to Shell Makers on Contract Basis 17

Clearing Air on Railroad Question in U.S.A. 20

BANK OF MONTREAL
Established Over 100 Years (1817-1918)
Capital Paid Up, $16,000,000
Rest, $1 6,000,00
Undivided Profits, $1,901,613
Total Assets - - - - - $558,413,546
BOARD OF DIRECTORS:
Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq.
Lord Shaughnessy, K.C.V.O.
C. R. Hosmer, Esq.
H. R. Drummond, Esq.
D. Forbes Angus, Esq.
Wm. McMaster, Esq.
Major Herbert Molson, M.C.
Harold Kennedy, Esq.
H. W. Beauclerk, Esq.
G. B. Fraser, Esq.
Col. Henry Cockshutt
J. H. Ashdown, Esq.
Head Office: MONTREAL
General Manager—Sir Frederick Williams-Taylor
Branches and Agencies { Throughout Canada and Newfoundland
London, England
New York, Chicago and Spokane in the United States
[illegible]

THE MERCHANTS BANK OF CANADA
Head Office: Montreal. Established 1864.
Paid-up Capital ....$7,000,000 Total Deposits (Oct., 1918).$132,000,000
Reserve Funds ....$7,437,973 Total Assets (Oct., 1918)..$165,000,000
President: SIR H. MONTAGU ALLAN, C.V.O.
Vice-President: K. W. BLACKWELL Managing Director: E. F. HEBDEN
General Manager: D. C. MACAROW,
Supt. of Branches and Chief Inspector: T. E. MERRETT
COLLECTIONS FOR BUSINESS HOUSES
This satisfactory service which The Merchants Bank renders to Business Houess, in the matter of collecting Notes, Drafts, and other financial paper, is due to the number and strategic location of its branches throughout Canada, and the efficient system in force.
Special attention is given to collections; returns are promptly made and credited; losses are often prevented by the care and thoroughness with which we do this part of our work.
236 Branches in Canada Extending from the Atlantic to the Pacific.

The Standard Bank of Canada
QUARTERLY DIVIDEND NOTICE NO. 113
Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st of January, 1919, and that the same will be payable at Head Office in this City, and at its branches on and after SATURDAY, the 1st day of February, to Shareholders of record of the 23rd of January, 1919.
The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 26th of February next, at 12 o'clock noon.
By order of the Board,
C. H. EASSON,
General Manager.
Toronto, December 20th, 1918.

The Dominion Bank
HEAD OFFICE - - TORONTO
SIR EDMUND B. OSLER - President
W. D. MATTHEWS - Vice-President
C. A. BOGERT - - General Manager
THE LONDON, ENGLAND, BRANCH
Of the Dominion Bank at 73 Cornhill, E.C.
Conducts a General Banking and Foreign Exchange Business, and has ample facilities for handling collections and remittances from Canada.
347

UNION BANK of CANADA
Established 1865
HEAD OFFICE - WINNIPEG
Paid-Up Capital $5,000,000
Reserve 3,400,000
TOTAL ASSETS .... over $153,000,000
John Galt - President
H. B. Shaw - General Manager
J. W. Hamilton - Assistant General Manager
This Bank, having 299 branches in Canada, extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.
Travellers' Cheques and Letters of Credit issued payable all over the world.
Colections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.
Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England) New York and Montreal Offices, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureaus established at these branches.
New York Agency, 49 Wall St., New York City
GEO. WILSON, AGENT
CORRESPONDENCE SOLICITED

THEMOLSONSBANK
Incorporated by Act of Parliament 1855
Paid Up Capital - - - $4,000,000
Reserve Fund - - - - 4,800,000
Head Office, Montreal
Besides its 98 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the world, offering its clients every facility for promptly transacting business in every quarter of the globe.
Edward C. Pratt, General Manager

READJUSTMENT OF PRICES WILL COME GRADUALLY

Good Business in Sight For at Least Some Months

P. HOWLAND'S VIEWS

President of Imperial Bank and Head of Big Hardware House Talks on Vital Business Questions of Day

"One of the biggest problems merchants will have to face during the first six months is to meet the readjustment of values," said Peleg Howland, president of the Imperial Bank of Canada, and head of the hardware firm of H. S. Howland, Sons & Company, Ltd., in discussing the business outlook with FINANCIAL POST. "Many people are holding off buying in the belief that prices will come down. Prices will come down, but reductions, it would seem to me with some exceptions, are going to be gradual rather than sudden, and in the meantime merchants must buy to take care of the business that offers.

"Previous to the signing of the armistice I confess that I thought that when fighting ceased there would be a much greater disturbance in business affairs than actually occured, and that we might have seen a panicky feeling follow that would have resulted in the offering of goods on hand at serious cuts, but fortunately this did not occur.

Looks for Good Business

"From what I see I expect there will be good business for at least some months. With such a large proportion of this country's effort during the past four years turned on producing the necessities of war there must be a shortage of many things which we from our standard of living consider essential needs. The farming community has prospered because of demand and high prices. The returned soldier is assured of his pay from three to six months after his discharge, and a proportion at least of those discharged from munition factories will find employment in producing the essential things referred to, and of which we are short, so that we may expect an expenditure in the more or less immediate future that will lead to a fairly large turnover of goods.

Cause Hesitation

"Were it not for the extremely high prices, which cause hesitation on the part of the buyer, and checks enterprise, the country would soon be industrially at it hammer and tongs! When the happy condition will be reached when demand can be restrained no longer and prices will permit expansion on a reasonably sound basis it is impossible to determine, but it seems to me that it can only come after there has been a lowering of the scale of wages, which must follow where there are more workers than work.

"It is very hard for those engaged in any kind of employment faced by the extremely high cost of living to bring themselves to a frame of mind to accept a lower rate of pay than now exists. They can, however, have the consolation that lower wages means cheaper goods and cheaper living. The action of the law of supply and demand seems to me as certain on the market price of labor, be it manual or mental, as on any other commodity, and people should keep employed at what they can get rather than remain idle. Goods must be made at prices to suit demand, and competition or production will cease and lack of work increase. Anything that can be done by the newspapers to educate the public to the necessity of keeping at work for what can be got will help to prevent dissatisfaction and bring about early that condition where price and demand meet referred to above, and industrial activity result.

On Sound Basis

"I recognize that the business situation in Canada is on a pretty sound basis. What I mean by that is that the business community in general is solvent. This is especially true in regard to the hardware trade. Hardware men for some time past have been buying so as to take care of the needs of their customers and no more. Few retailers are heavily stocked. It is a good, safe, general policy to follow, and has done much to put the trade on the foundation which it stands to-day. The merchants who continue to work along this line can make no mistake."

Mr. Howland's news on the important questions of retail credit and industrial standardization are embraced in an article on page 9 of this issue.

HEATING THE STATION

Hearing Before the Dominion Railway Commission

The controversy involving the right of the Toronto Electric Light Company to lay steam mains so as to provide heat for the new Union Station came before the Railway Commission this week. The application for the right to cross Bay, Yonge and Scott Streets was made by the Toronto Terminal Railway Company and the argument was advanced that the sum of $140,000 would be saved annually by the arrangement, besides which there would be obviated the necessity of installing a $600,000 plant. The contention of the city was that notice of expropriation of the property of the company had already been served and the granting of the application would further involve matters.

It is understood, however, that the arrangement proposed is only a temporary one and that it is likely to be granted on that basis.

PROPOSAL FOR FRENCH EXHIBITION TRAIN

The Department of Trade and Commerce is Prepared to Support the Idea

By Resident Representative.

OTTAWA.—The present proposal to send a Canadian Exhibition train through France to develop trade between that country and France is a revival of a proposal made two years ago, after the return of the Canadian Trade Commission which visited that country. Attached to that Commission was Senator Beaubien, of Montreal; and he took a deep interest in the project. In fact, the centre of interest of this and other proposals to push trade between Canada and France has been in Montreal.

Briefly, the proposal was that a train to be furnished by the French Government bearing Canadian exhibits should be run through France; and for Canada, the C.P.R. agreed to furnish a train running through the Dominion with French exhibits. Mutual arrangements regarding free ocean transportation of exhibits was also made.

The Department of Trade and Commerce put the proposition up to the Canadian Manufacturers' Association; but its opinion was averse from encouraging it at that time. It was felt that France was in a state of such disorganization, and transportation facilities both there and on the ocean were so taxed, that the time was unfavorable. In addition, Canadian manufacturers had then more than they could do to handle existing business; and it was felt it would be a mistake to work up a connection which could not be taken care of. The project was, therefore, dropped at that time.

Idea Now Revived

It has now been revived. The Department of Trade and Commerce is now, as it was before, prepared to give whatever help is required. It is still felt in some quarters that the time is still a little premature. At least, there should be definite information coming from our Trade Mission in Europe and sanction of the proposition. The process of demobilization will be going on for some time. The shipments of Canadian goods for the Lyons Fair are still at St. John, N.B., waiting for a ship. It was expected that they would go on either the "Lambok" or the "Vologdna," but apparently neither vessel has been able to take them; and they are still there.

As a very complete and representative exhibit would be desirable, and as the necessary preparations would take some time, the activities of those who are now pushing the project are commendable. The Lyons Fair will be held in March, and a suitable time for running the train would probably be soon after that event. The final arrangements for the Fair indicate that Canada's exhibit there should be very creditable. In all, 50 booths have been secured, allotted as follows: C.P.R., 5; Canadian National Railways, 3; Department of Agriculture, 3; Department of Trade and Commerce, 1; Department of Mines, 1; Forestry Branch, 1; Fisheries, 1. The remaining 35 booths have been divided among 53 manufacturers according to the allotment made by the C.M.A. Many more booths could have been filled, as applications for space began to pour in latterly.

OPPOSE PRICE FIXING

Montreal Board of Trade on the Wheat Situation

MONTREAL.—Strong opposition was yesterday expressed by the Council of the Board of Trade to the suggested guaranteeing by the Dominion Government of the price of the 1919 wheat crop. This matter was discussed at considerable length, with the result that the council declared itself unanimously opposed to such a procedure and adopted a resolution to that effect, to be forwarded to the Acting Premier.

SHOULD BE ABLE TO SUPPLY MORE OUR OWN NEEDS

Sir Edmund Walker Speaks For An Expansion of Industry

MAKING FARM MARKET

President of Bank of Commerce Sees Home Buyers For Farm Products—Exports to Pay Interest on War Loans

The action of the directors of the Canadian Bank of Commerce in placing the stock of the institution on a permanent basis of 12 per cent., instead of the 10 per cent. bonus which has prevailed since 1911, did not come as any surprise in view of the figures contained in the annual statement; in fact there was some expectation that something in the nature of an increased actual return to shareholders was a possibility. It will be remembered that when the statement was reviewed THE FINANCIAL POST called attention to the fact that the profits of $2,850,318, representing 19 per cent. on capital and 9.5 per cent. on investment, were actually $1,000,000 less than the income, this additional amount representing a sum "recovered from over appropriations." Further the fact that such a sum was taken from this account indicated that a period of uncertainty had been successfully passed, while at the same time it could reasonably be deducted that there would still be ample available in this fund to face any losses which readjustment might bring in the immediate future. Although then there was no increase in the actual return to the shareholder the fact that the permanent basis of 12 per cent. has been established and that the reserve fund, being increased by $1,500,000, has now reached the level of the paid-up capital, would seem to bring closer the time when something better might be reasonably anticipated.

The President's Adress

The proceedings of the annual meeting of the Commerce are followed by more than usual interest by commercial and industrial Canada on account of the very important part played by the institution in the financing of current business as indicated by current loans approaching $200,000,000. The addresses of the president, Sir Edmund Walker and other officials—reproduced elsewhere in this issue—are worthy of close consideration. This is particularly the case at this time when there are so many problems of reconstruction to be considered. In this connection Sir Edmund emphasized that if Canada is to successfully cope with the conditions now obtaining there must be an allround development in both home and export trade.

Sir Edmund pointed in particular to the industries producing, iron and steel, vehicles, paper, petroleum, etc., which only partly serve our needs and spoke of the time when we would be able to supply all our requirements. "If we could do so now" he said, "we could face the future with complete assurance as to our financial position as a nation, and with the best possible market for farm products—those at home."

As To Foreign Trade

That there is considerable foreign trade for those who will compete for it Sir Edmund quite believes, but at the same time he recognizes that "it will not be obtained without a struggle which leaves no room for lack of skill in manufacturing, of the knowledge of costs, of the power of finance, and of the facilities for transportation. If we can finance," he continues, "part of the reconstruction of Europe, as we have financed the making of munitions for Great Britain, we shall probably get a fair share of the business now that we have a trade mission in existence for this purpose."

Speaking of the burden of war financing the argument was advanced that if, living comfortably, we could provide for public and private improvements by loans at home, and export more than we import to a sufficient extent to enable to pay our foreign interest debts we should prosper and not feel the cost of the war too much.

Directorate Enlarged

The enlargement of the board of directors from nineteen to twenty-two members was decided upon, with power to increase to twenty-five. The three new members are: Thomas Findley, Toronto, president and general manager of the Massey-Harris Company, Limited; W. W. Hutchison, Montreal, vice-president of the Lake of the Woods Milling Company, Limited and H. R. Silver, Halifax, president of H. R. Silver Limited.

Import restrictions on all except 18 commodities removed or relaxed by the U.S. War Trade Board.

HARD COAL PRODUCTION

Shipments Last Month 5,736,260 Tons And For Year 76,649,918

PITTSBURGH.—In spite of handicaps causing a drop of 2,000,000 tons in production in October and November, anthracite industry was able to gain 459,601 tons last month over November output and 37,315 over December, 1917. For the first nine months of 1918 coal year, as compared with same period of 1917, there was loss of 1,102,397 tons, due to influenza, labor troubles, holiday idleness and serious labor shortage throughout the period. Total shipments last month amounted to 5,736,260 tons as compared to 5,698,945 in December, 1917. Total shipments for calendar year, 1918, amounted to 76,649,918 tons against 77,133,305 in 1917, a decrease of 483,387 tons.

SHIPMENTS OF FLOUR HELD UP

Railway War Board Takes Prompt Steps so as to Avoid Congestion

By Resident Representative

MONTREAL.—The rushing of flour from the Canadian mills to the seaboard, and certain delays that have taken place in the acceptance of export business have caused a congestion at Canadian ports, and the Railway War Board has ordered an embargo on the further shipments. The difficulties are expected to be removed very soon, however. The immediate result for the mills has been that they have either shut down almost entirely, or have been piling up their product without having orders on hand to cover the output.

Various reasons are assigned for the flour export situation. One of these given last week was the exhaustion of the credits that had been provided for the purchase of the flour. This, however, it is understood, has been arranged for within the last few days. Another reason mentioned was that the prices charged by the United States mills, owing to the removal of all restrictions, was lower than in Canada. The method of accomplishing this was a simple one. In Canada, as in the States during the war, prices of feed, the "offal" of the wheat, were limited. As soon as the regulations were removed in the States the mills advanced their feed prices in three weeks $17 to $18 a ton, which enabled them to charge 60 to 70 cents less for flour per bbl., and make the same profit. In Canada the restrictions are still in force; if the Canadian mills increased the price of mill feeds $17 to $18, they could reduce the price of flour, and the export price in the same manner as the United States mills did.

REORGANIZING MANUFACTURERS' ASSOC.

Warning From Headquarters That Reconstruction Orders Are on Competitive Basis

Along the lines of the plans of reorganization which have been described from time to time in THE FINANCIAL POST, a circular is being sent out to the members of the Canadian Manufacturers' Association describing the group system which is being employed to more effectively work out the ideas of the executive under the new regime of General Manager J. E. Walsh. This group system is now being perfected and should be effective in joining up in a practical way the Canadian manufacturers with the Dominion Overseas Trade Commission and the Government bodies at Ottawa concerned with the distribution and handling of reconstruction orders.

The circular, however, sounds a note of warning to the manufacturer who may have the idea that the Government is going to place orders in his hands. Developments have dispersed the theory that reconstruction business would be placed directly by the Allied Governments. It is now evident that it is rather the desire to dispense with paternalism at the first possible moment. Manufacturers are therefore warned that if they want reconstruction orders success will depend largely upon their own initiative and their ability to successfully produce on a competitive basis with other countries.

The Government organizations will be used to arrange such matters as finance, shipping, and various regulations and to distribute information regarding the problems which the manufacturer must expect to solve, but the actual placing of the orders will be through individual agents or through associations which the manufacturers may themselves form to reduce overhead charges or to increase efficiency in production and delivery.

Great Britain is about to purchase the Belgian Congo, according to a rumor current in Government circles in London. The price is said to be $3,500,000,000.

$7,300,000 ISSUE TO RETIRE OLD TRAMWAYS NOTES

These, Amounting to $5,350,000, Mature First of April

HOLD 21,000 SHARES

Of Tramway System as Security—Interest Rate 6½%—Expected to Float Whole Issue in Canada

Arrangements are almost complete, THE FINANCIAL POST is informed, for the redemption of an issue that has caused a good deal of uneasiness in the market the last few weeks, the 2-year collateral trust gold notes for $5,350,000, issued on April 2, 1917, and maturing on April 1, 1919. These will be paid for in full, is understood, by part of the proceeds of a new issue, this time for $7,300,000 of similar notes, but bearing 6½ per cent. instead of 6 per cent. interest, an running for five years in place of two years. The names of members of the French-Canadian syndicate that was so successful in the flotation of the last two issues of the City of Montreal bonds, are mentioned in connection with this $7,300,000 issue, and it is understood that, whereas the notes were floated in New York two years ago, the new issue, large as it is, will be offered in its entirety in Canada, and that the prospects are bright for its disposal in a period of a few months. The market that was eager for over $16,000,000 of the City of Montreal bonds, offered for 6 per cent. in the last two cases, is ready, it is claimed, for this new issue that will yield 6½ per cent.

Brought Down to 90

When the question of the future of the old issue was discussed a few weeks ago in THE FINANCIAL POST, it was stated that some of the bonds due on the first of next April had been purchased by Montreal interests at 91 and 92, and later on a large block at as low as 90. This seemed to clear the market in New York of all the floating supply and prices rose to 95. Some holders, however, were rather disquieted at the fact that bonds maturing so soon were selling at such a discount, and were disposed to sell, The advice as given at the time was that it was inconceivable that the Montreal Tramways Company would allow a default in the bonds of Montreal Tramways & Power Company, as they were secured by 16,000 shares of the stock of the Tramways Company, which would give the bond holders control of the tramway system. The position taken then has now been justified and the notes will be paid off at par in less than three months.

Increased Stock to 21,000 Shares

While full particulars at the time of writing are not available as to the new issue, THE FINANCIAL POST understands that the security of Tramway stock has been increased to cover the entire holdings of the Tramways and Power Company, that is from 16,000 to 21,000 shares. This would give the note holders a still firmer grip on the Tramway system. In addition there is the security of debenture stock of the Montreal Tramways Co., which amounted to $6,000,000, as guarantee for the old maturing notes. In addition to this were 5,333 shares of the new common stock of Montreal Tramways Company, on which 10 per cent. has been paid. Thus while, nominally, the Montreal Tramways & Power Company is issuing the notes of $7,300,000, in reality they are secured by the majority stock of the Montreal Tramways Company, which operates the street railway system of Montreal, and whose earnings on stock, borrowings for extensions, etc., have been guaranteed by the new agreement that was passed by the Quebec Legislature last year. It is stated that a short time ago the April 1 issue sold in New York at 97½, which is close to par in Montreal, allowing for exchange.

It is notable that up to the present all the financing of the Tramways & Power Company has been done in the United States. The issue of two years ago was placed by Potter, Choate & Prentice in New York; as well as the First Mortgage bonds of the Tramways Company. The old issue will be taken care of and an additional $2,000,000 as well it is proposed to secure in Canada, a tribute to the confidence the bond houses closely connected with the negotiations for the new issue rest in the absorbing powers of Canadian investors.

There is an interesting explanation that was heard of the five-year condition of the notes, replacing two years. The Tramways & Power Company desired, it is said, to limit the issue of notes to two or at most three years, considering the fairly high rate of interest they were paying, but the bond men pointed out that in two years there would be a large number of bond issues, such as the City of Montreal, expiring, and difficulties in financing the redemption of the notes or in arranging for an extension might be experienced.

Control Was At Stake

Great interest attaches to the forthcoming issue of the Tramways & Power Company's notes to replace the issue of $5,350,000 that matures on the first of April. Not only is this the largest single issue in years, but the circumstances surrounding the arrangements excite the deepest interest. For a time it was felt in many quarters that the control of the tramways system of Montreal was at stake, as it would have been if there had been a failure on the part of Tramways & Power Company to float the new issue. It would appear that all is settled now except a small legal point, and that the whole issue will be offered to the public in a short time, long before the notes that it covers will expire. In addition to the well known members of what has come to be known as the "French-Canadian syndicate," THE FINANCIAL POST understands that two other houses have agreed to come in, Hanson Bros., and the Royal Securities Corporation.

KING EDWARD HOTEL MAY PAY DIVIDEND

Profits For Nine Months Over $80,000—Extensive Alterations to be Started Soon

The profits of the King Edward Hotel Company for nine months, under the new administration have been over $80,000. At this rate the returns for the first year will run considerably more than $100,000. The company has a first mortgage bond issue of $800,000 at 5 per cent., and a second mortgage issue of $700,000 at 7 per cent., a portion of which has not yet been issued. After the payment of fixed charges the company will be able to show a substantial sum available for the common shareholders, and it is considered as more than likely that a distribution of a dividend on the junior stock will be decided on at the annual meeting.

Extensive improvements have been made to the ground floor of the hotel and plans have been completed for extensive alterations throughout the building. By altering the general plan on all floors some 45 rooms will be added and 100 new bathrooms will be installed. At the same time the furnishings will be generally changed and brought up to date. The alterations will include quarters for the Old Colony Club, an American organization with quarters in the leading hotels of the world and with a membership including the leading business men of the large American cities. Arrangements are now being made for the organization of a branch of the club in Toronto.

These alterations will require the expenditure of about $150,000, and, together with other changes made or contemplated, the total involved will run about $300,000, which is covered by the bond issues already authorized.

Successful Methods

The success of the venture may be traced altogether to the methods of management. The King Edward Hotel had been losing, it is said, about $100,000 a year. New interests take hold with a practical hotel man, Mr. O'Neil in charge, and an efficient organization behind him, and in the first year despite extensive alterations which are interfering with business to a considerable extent, a profit of $100,000 is shown. Nothing could more strongly support the arguments which THE FINANCIAL POST has advanced in the past that a city hotel is a straight business proposition without the sale of intoxicants being taken into consideration. Mr. O'Neil himself views the enterprise in this light: "Why should a hotel give service for which it is not paid?" he asks in pointing out that it is a case where a hotel must consider what it has to sell the public and then arrange to make that service attractive by modern methods of salesmanship. The small town hotel he considers as presenting the great problem, and he believes that with the abolition of bars they should be considered in the light of a municipal asset and given concessions accordingly.

COPPER PRODUCTION

American Figures Were Slightly Higher for 1918.

WASHINGTON.—The production of copper in the United States in 1918 was slightly larger than in 1917, according to preliminary figures of the United States Geological Survey. At an average price of about 24.75 cents a pound the output for 1918 has a value of $473,000,000, as against values of $510,000,000 for 1917 and $190,000,000 for 1913.

PACKERS WORKED ON SMALL MARGIN DURING PAST YEAR

Reduced Profits on Increased Business By Swift and Armour

UNSETTLED CONDITION

Volume of Business Greater By Fifty Per Cent., But Profits Not Up to Total Allowed by the U.S. Government

The reckless charges of profiteering which have been so generally applied to big business during the war period—and to no other industry so pointedly as to the packers—makes it of interest to Canadian business men and Canadian investors to view certain outstanding points of the affairs of the big packing concerns in the United States whose statements are now being given to the public. From the reports of Armour & Company and of Swift & Company it is emphatically made clear that more than ever during 1918 these big concerns conducted their business upon a very close margin, particularly in relation to the service rendered in placing the nation's live stock products on the world markets at advantageous prices to the producer. Despite the fact that war conditions with war prices continued throughout the greater portion of the period, and that business expanded enormously, the profits of these two big concerns showed a big decline. This was evidently due to readjusting war conditions and an indication is thereby given of the difficulties which must be faced in the future—difficulties which may easily absorb a large portion or all of the profits made during the prosperous period.

Both of these concerns did a volume of business which showed an increase of approximately 50 per cent. over the previous year. But such was the effect of the record high prices for meats and for all commodities used that the margin of profit was reduced, as J. Ogden Armour points out, "almost to the vanishing point." Labor costs, taxes and other outlays were so heavy that in the year of greatest activity profits were less, per dollar of sales, than in any year in the history of the industry.

Some Interesting Figures

The gross revenue of the Armour Company was $861,000,000 compared with $575,000,000 in 1917. In spite of this increase the net profit was but 1.8 per cent. on each dollar of sales as compared with 3.7 cents in 1917. The net income for fifty-three weeks (period ending November 2nd) was $15,247,000, at the rate of 9 per cent. on the average net capital invested and 14.7 per cent. on the common stock, after making provision for dividends on the preferred. Only $2,000,000 was actually paid out in dividends on the common stock, the company being compelled to re-invest the balance, over $13,000,000, in the business to meet the ever-increasing demand for additional facilities; this in addition to $60,000,000 borrowed on convertible debentures.

The Swift report (also for a thirteen-month period to November 2nd) showed gross sales of $1,200,000,000 as compared with $875,000,000 in the previous year. Net profits for the 53 weeks were $21,157,000 compared with $32,150,000 in the previous report—a considerable decrease despite the enlarged volume of business. The net earnings were equal to $18.44 a share on $114,725,600 capital stock compared with $32.15 a share on $100,000,000 common stock for the 1917 year. The ratio of earnings to sales was 2.04 per cent.

Not As Much as Allowed

Thus we find one of the biggest industries in the country working on a basis so close that one company made only 1.8 cents on the dollar of turnover and another 2 cents.

Further attention may be called to the fact, as pointed out by Mr. Armour in regard to his company, the earnings were only a fraction on volume and only about one-half on investment of the authorized margins of the United States Government, through the Food Administration, formulated on November 1st, 1917.

Effect of High Prices

Mr. Armour also points out that the packers as well as the consumers have suffered from high prices, adding:

> Our profit account shows that we, along with the consumer, have suffered because of high prices. Our business is predicated on a rapid turnover of a big tonnage at a small margin of profit, and high prices are not conducive to quick turnover. We are helpless in the matter of reducing prices. They are high because of the heights to which live stock and labor have gone. Our labor costs last year were $20,000,000 more than the preceding year. The same number of pounds of live stock cost us in 1918 One Hundred Million Dollars more than in 1917. The United States Government, through the agency of the Food Administration, compels us to pay a minimum of $17.50 per hundred pounds, live weight, for hogs, which cannot, at that figure, produce cheap bacon, pork and other hog products; and cattle at $16.00 or more per hundred pounds on the hoof cannot produce cheap beef. Stock raisers assert that such prices are necessary to pay them for the increased cost of production and we realize the need for prices which will encourage continued agricultural effort. While the extraordinary demand from Europe continues there is little prospect of lower prices.

Further, a strong argument is advanced to indicate the service being rendered to the country by the packing industry:

> Despite the handicaps of the year—traffic congestion, fuel and labor shortage, scarcity of coal, tin and other supplementary supplies, nad the difficulties incident to abnormal forcing of the capacity of our plants—our company retains its effectiveness and complete ability to perform its economic and industrial functions. It is of the greatest importance to the producers and the consumers of this nation that we exist as a marketing machine. The wealth of the soil is valueless until it is taken to the consumer in shape for use, and our company is a machine for the development of markets. In a country as vast as ours national distribution and market development is essential and only a national organization can efficiently do the work. As our country grows our company will have to expand, for only by so doing can we adequately meet the purpose and necessities for which we exist.

EXPORT OUTLOOK FOR THE PACKERS

Hog Market Recently Slumped on Report of Allied Buying Having Ceased

The rumor that gained currency recently to the effect that the allied Buying Commission purchasing for the British Government would discontinue the placing of contracts for pork products for export, and might even abrogate present contracts, had a very spectacular effect on the trading at the Toronto stock yards early in the week. The packers' while questioning the authority of the rumor, had no definite assurance that it was incorrect, and naturally went cautiously. On Monday of this week with heavy offerings of hogs, and with the large packers practically off the market, there was a substantial slump in hog prices, live hogs declining $2.00 per cwt. The packing houses simply discontinued buying, and with this large burden of business gone, the prices soon sagged. The following days, however, saw them once more on the market, and by Wednesday the trade had almost re-established the normal figures.

As yet no very definite information is available. The report has not come through the Dominion Government, and no confirmation has yet been received from the allied purchasing commission. The reason for it is the belief that large stocks of pork products are available in England, sufficient to care for that trade for a period of perhaps four months.

Later reports seem to indicate that there has been some misunderstanding, and that the rumored failure of export buying may not be as serious as was suggested. The Canadian packing business has built up an enormous export trade during the war years, and have increased their plants materially to take care of this business. With this business shut off they would have to face a more circumscribed market and would perforce have to limit their production.

At the present time it is not known what Britain can do in the way of supplying her own needs, and matters are in too uncertain a condition in Central Europe for that market to be a very influential factor. In any event Canadian products are most suitable for the English trade, as the European trade is for fatter stock, such as is produced by the American packer. The opening of this market, however, will have a tendency to divert the American attention from the British market to the benefit of the Canadian packer.

S. A. CAMPAIGN

One Week's Effort to Raise a Million Dollars

On Sunday commences a week's compaign throughout Canada from Fort William East to raise one million dollars for the Salvation Army. The money is being raised through local organizations of volunteer workers, and labor and capital have united to make the campaign a success.

From the standpoint of Canada's industrial situation the campaign has significance. The money raised will, it is submitted, tend toward offsetting Bolshevistic tendencies there may be, and the joint campaign help to bring employers and workers together.

Ocean freight rates have been reduced on commercial traffic, and the British Government is releasing a certain amount of space for commercial cargoes, says a Montreal despatch. These two facts are the first indications of a return to normal in transatlantic shipping.

Banking Service

The attention of manufacturers is drawn to the excellent facilities this Bank offers in all branches of a complete banking service.

A good banking connection is an essential to the success of the manufacturer or merchant.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up, $15,000,000. Reserve Fund, $15,000,000

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid Up	$ 14,000,000
Reserve and Undivided Profits	15,500,000
Total Assets	427,000,000

HEAD OFFICE, MONTREAL

Sir Herbert S. Holt, President.
E. L. Pease, Vice-President and Managing Director.
C. E. Neill, General Manager.

530 Branches in Canada, Newfoundland, West Indies, Central and South America, etc., distributed as follows:

Canada	465
Newfoundland	6
West Indies	47
Central and South America	9
Spain (Barcelona)	1
U.S.A. (New York)	1
Great Britain (London)	1
	530

LONDON, ENGLAND
Bank Bldgs., Princes St., E.C.

NEW YORK CITY
Cor. William and Cedar Sts.

Business Accounts Carried Upon Favorable Terms.
Savings Department At All Branches.

THE WILL

There comes a time in the life of every man when he must leave his worldly possessions to the care of another. In anticipation of this, therefore, the first obligation resting on an individual who is possessed of property is the making of a will, and this should be done before the capacities become impaired by time or the ravages of disease.

THE MONTREAL TRUST COMPANY will act as Executor for Estates large and small. It is thoroughly equipped to efficiently and economically undertake the administration of Estates, and will carry out the intentions and desires of the Testator, bearing in mind at all times the best interests of the Estate.

Montreal Trust Company

Sir Herbert S. Holt, President — A. J. Brown, K.C., Vice-Pres.
TORONTO OFFICE: ROYAL BANK BUILDING
J. F. HOBKIRK, Manager

The Weyburn Security Bank

Chartered by Act of the Dominion Parliament.
NINETEEN BRANCHES IN SASKATCHEWAN
HEAD OFFICE, - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

THE·INK·FOR·ALL·PEOPLES
·SHIP ANYWHERE·ANYTIME·
ANY QUANTITY BY MAIL·
ROYAL INK POWDER
·SIMPLY ADD WATER·
·NON-CORROSIVE·NON-FADING
From Your Retailer or Send for Samples—
Sample Qt. Blue Black 50¢
Qt. Blue Black & ½ Pint Red—$1.00
2 Qts. Blue Black & 1 Qt. Red $2.00
ROYAL INK COMPANY
11 COLBORNE ST. TORONTO CANADA

DEBENTURE SALE

THE GOVERNMENT OF THE PROVINCE OF NEW BRUNSWICK will receive Sealed Tenders up to Twelve o'clock noon on February First, 1919, for the purchase of $450,000.00 5½ per cent., fifteen-year Transferable Debentures, dated February Fifteenth, 1919, and terminable February Fifteenth, 1934.

Interest payable by coupon half-yearly on the Fifteenth February and Fifteenth August in each year.

Principal and interest payable at the option of holder at the Office of the Provincial Secretary Treasurer, Fredericton, or at the principal office of the Bank of Montreal, in Montreal, Toronto or Fredericton, or at the Agency of the Bank of Montreal in the City of New York.

These debentures are being issued for Railway purposes and are a direct obligation of the Province of New Brunswick. Denominations $1,000 and $500.

Mail Tenders to the Comptroller General, Fredericton, New Brunswick.

Investors' Information Bureau

Any subscriber to THE POST may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail. This service is free to subscribers, but inquirers should enclose stamp for reply.

NEWS OF SECURITIES—Montreal Decides to Maintain the Minimum Prices

ASIDE from the continued strength of the bank stocks and activity in a few specialties, the market has continued in the waiting attitude which has been evident for some time. Students of the investment situation take the absorption of securities at prevailing prices as an indication that the market is being gradually "bought" and that the foundation is being laid for a forward movement when conditions are propitious. Prices are regarded as low in relation to prevailing returns and it is not anticipated that dividend readjustments need be general in the process of readjustment. The bond market is strong and there has been interest in some of the members of the mining group.

Minimum prices as established in 1917 by the Montreal Exchange will remain until peace is signed at least, according to a motion that was carried by a large majority at a meeting on Monday last, the vote, THE FINANCIAL POST understands, being 41 to 17. The minority represented both those who were in favor of the lifting of the restrictions entirely, and those who thought that those that were selling above the minimum could safely be removed, but wanted those at the minimum continued. Whether there will be no change until peace is definitely ratified, or whether the question may be brought up again in a few weeks or months, would seem to be unsettled, members spoken to by THE FINANCIAL POST differing on this subject.

The view as expressed by the majority was that a number of investors had relied on the protection of the minimum rates, artificial as it was admitted many of them were, and that it would be unfair to remove them at this time. The stock that was most in question was Detroit United, for at the Canadian minimum of 104¾ it was far above what it was actually selling for on the New York market. It is understood that one of the firms that was chiefly interested in this stock expressed the opinion that the minimum might be removed on this as well as on the rest of the list, in spite of a feeling that they might object. This "consent" is taken by some of those who desire the restriction to be removed, to indicate that action may follow in a few weeks. Others are strong in the determination that nothing should be done before peace is signed.

Hayden, Stone & Co., New York.—The market is enjoying a considerable sidewise movement. A period such as we have now witnessed of transactions aggregating quite a few million shares without any material change in prices of the leading stocks has always, in the past, been preliminary to a considerable movement and, no doubt, it will be so in this case. We find it very difficult to believe that the exchange of stocks that has been going on for more than a month past, without any change to speak of in the general price level, is in anticipation of a general downward movement; indeed, we incline quite strongly to the opposite view.

STEEL

Only a Very Small Amount of Trading Done in Securities of the Steel Group

By A. R. KENNEDY
Editor Canadian Machinery

There has not been much business done in the buying or selling of securities represented in the steel group of the Canadian market this week. Some try to figure out that this is a reflection of conditions in New York, but there are home conditions that will explain any shortage of trading. The speculator is not in the market now. He comes when he thinks there is something "likely to happen." Mills booked to capacity for months ahead, and prospects of dividends or bonuses attract the speculative buyer and make big figures in the sale of common stock. This class of buyer seldom touches the preferred stock. At the present time there is nothing in the Canadian market to bring the speculator into action. The mills have finished in nearly all cases with their war orders. They are well up with their business that had been waiting during the progress of the war, and commercial business is not offering in sufficient quantities to fill the gap. There is also a feeling that the government, if it has a large programme of work that will call for steel, should make haste and get its specifications to the mills.

There is undoubtedly a margin between war prices and figures at which the investor will come into the market. At present the big question is where will the onus of closing up this margin drop. It is quite certain that no interest is going to willingly bear the brunt of the readjustment of prices. It has been suggested, and with considerable reason behind it, that the government should place business now, in large volumes, perhaps at a compromise price, and in this way secure the material it requires, and at the same time do a great deal toward bringing about a price standard that would draw sellers and buyers together for future business.

It is interesting to note that the three-cent base price for steel plate, announced by the U. S. Steel Corporation, does not govern all the business that is placed, especially where a definite shipping date is required. The first big order to go from Canada since the cessation of the war was for the equipment for ship orders from the Fabricated Ship Corporation. Plate for the boilers of fifty of the 76 boilers needed has been ordered at a base price of 3.75, which is well in advance of the U. S. fixed price of 3.25, and indicates anything but a tendency toward a severe lowering of steel prices. Men who follow the business closely claim that the cut in prices at U. S. points has not brought business in greater quantities than the old price.

Many of the industries of this country are waiting just now to have their adjustments made in regard to the work they have carried on in shell production. The board that will have to do with this has been named, and they have a lot of hard work ahead of them, as there are plants in all sorts and stages of completion to be considered before final awards can be made.

The scrap metal trade remains practically in a stage of stagnation. Prices that dealers are willing to pay have been placed on a very low level, and those who have material to sell are not yet reconciled to the acceptance of the new prices. In such an atmosphere there can be no progress.

	Last Jan. 9	Sales Jan.16	Chge
Can. Car	30	29	— 1
Do., pref.	84¾	84	— ¾
Can. Loco., com.	63	63½	+ ½
Gen. Electric	104	104	...
Dom. Iron, pref.	93½	95	+ 1½
Dom. Steel	62¼	62	— ¼
N.S. Steel, com.	66	60	— 6
Steel of Can., com.	64⅞	63¼	— 1⅝
Do., pref.	95	93½	— 1½
Rus. Motor, pref.	75	70	— 5
Do., com.	*84	*84	...

*No sales this week.

DOMINION BRIDGE

A controversy continues to wage among the shareholders of the Dominion Bridge Company as to the justice of the present dividend rate of 8 per cent., in place of the one of 10 per cent. that was paid up to a little over one year ago. As was intimated a couple of weeks ago by THE FINANCIAL POST in an advance report of the annual statement, this 8 per cent dividend has not been changed: an announcement on Thursday of this week leaves it where it was before, 2 per cent. payable Feb. 15, to record of Jan. 31. Thus it is clear that the new Board decided that the policy under the late president, Phelps Johnston, was the wiser one. Much is heard about the company having earned 28 per cent. on the common stock this past year, or 20 per cent. more than was required for the dividend, and that this justified a declaration of 10 per cent., as in 1917. But it would appear to be forgotten that this 28 per cent. represents a cash sum of $1,100,000 from the Quebec Bridge, very little of which was earned by the operations of the year 1918, and with this deducted, the normal operations of the company brought barely more than 10 per cent. clear, and available for dividends. This large amount of cash belongs even more to the years 1917 and 1916 than to 1918, and should be credited in all to seven years. In connection with the criticism, mention is made of the former erratic dividend policy of the company. Starting at 8 per cent., the dividend dropped to 5 per cent., then went back to 8 per cent., then up to 20 per cent. (from bonuses), then back to 10 per cent., and for the last five quarters down to 8 per cent. This would appear to furnish all the more reason for a policy being maintained now and for the future that would wipe out the memory of this strange shifting of the dividend rate in past years. The stock still offers at the minimum of 123, and very few sales—three shares up to Thursday—result.

Bridge is moving in few sales at the arbitrary minimum of 123. The suggestion, made at the annual meeting, that dividends be at the rate of ten per cent. is not receiving favorable consideration in many quarters, although at 123 that would be only a little better than eight per cent. A dividend meeting has been held this year, and at that a 2 per cent. quarterly premium was passed. There is nothing in the earnings for 1918 to make it compulsory to leave dividends on the lower level, but the directors may see in future business prospects good reasons for refusing to pass the dividend on the basis of a ten per cent. earning.

DOMINION STEEL CORPORATION

Trading in Iron has been in rather narrow compass during the week. There has been nothing to stimulate buying and the sales that have been made have been small. The price is on a level with that of the first week of the year, sales being made with 62½ as the high mark. A despatch from Glace Bay states that a big lawsuit may result over the assessment of the Dominion Coal Company there. The town assessor fixed this at $2,935,979 for 1919, but the company filed a sworn statement giving a valuation at $1,907,949, which was lower than for many years. Under the law the assessor has to accept the sworn statement of a corporation, but the local Council has instructed an appeal to be entered. The matter may be carried to the Supreme Court.

LAKE SUPERIOR CORPORATION

Figures given out show an increase of production during the last half of 1918 over the same period of 1917. The tonnage follows:

	1918.	1917.
Magpie ore	100,213	108,824
Coke	222,428	193,435
Pig iron	207,552	147,813
Steel ingots	264,905	249,774

There is quite a marked interest in the stock of this company, although it does not figure on the Canadian exchange. The physical conditions of the plant have been very materially improved during the year. In addition to installations for greater coking that are in operation, a battery of 25 more Wilpothe ovens will be ready for operation in February. It is estimated that from the by-product ovens there is now reclaimed 20,000,000 cubic feet per 24 hours. Benzol, toluol and xylol are produced in large quantities. The ore dock is being lengthened, and will shortly have a length of 2,340 feet. The company is almost self-contained. It owns and operates the Magpie Mine on the Algoma Central, from which it takes 18,000 tons of low phos ore per month. Another deposit has an estimated body of 100,000,000 tons of iron ore. In W. Virginia some 5,000 acres have three seams of coking coal, one seam now being worked for 120,000 tons per month. Another Virginia field gives the company 3,000 tons of Pocahontas per month. About 60 miles from the Soo are the beds of limestone of a very high calcium carbonate analysis. The plant is in good shape now to care for any business that may be offering.

STEEL OF CANADA

A conference of salesmen of the Steel of Canada has been going on at Hamilton and plans for 1919 selling have been discussed. The statement is also made that the statement for 1918 will be equal to that of 1917, which constituted a record for turnover and earnings. Last sales of common were made at 62¾, which is a slight recession from the week previous. Preferred has sold down to 93½, which is also about as much lower as the mark obtained by common. Bookings at the Hamilton plant are, of course, much below the great volume of trade that has passed through the Hamilton plant for the past two or three years, and the chances are that a spirited sales campaign may follow the conferences just closed.

NOVA SCOTIA STEEL AND COAL

Figures that have been given out regarding the 1918 work on the Scotia enterprises indicate a good year. It is understood that a statement outlining the situation now may shortly be made by one of the officials of the company. The street has a story to the effect that the Eastern Car Co., New Glasgow, a subsidiary of Scotia, will declare a dividend on the strength of the satisfactory business that has been handled during the past year. As far as THE FINANCIAL POST can learn there is a fair-sized element of doubt in this report. The annual meeting will be held in March. The feeling seems to be that owing to the present uncertainty it might be poor policy to start the payment even of a back dividend. Scotia common has only one sale on record this week at 60, which is lower than the previous sale. On the other hand a few shares of preferred traded during the week at 105, an increase over previous selling rate.

CUBA RAILROAD

Cuba Railroad Co. declared the regular semi-annual dividend of 3% on the preferred stock, payable February 1 to stock of record January 14.

TEXTILES

Larger Variety of Trading Than for Many Weeks—Decline in Prices in States

By H. H. BLACK.

There was more buying distributed over the textile stocks this week than there has been since the armistice was signed; not heavy orders in any case, but spread over practically the whole field. With a single exception a stock that had been strong and had had a rise for the two weeks before, the prices were quite firm and higher than one week ago.

After the next two months are over it will be much easier to decide just what will be the experience of the cotton textile mills. This is a rather dead season both among the wholesales and the retails, and a dull business is expected anyway. With the approach of Spring the mills will be going out with their fall lines, prices in these will be settled pretty well for the next six months, and both wholesale and retail trades will then be in a better position to judge their own prospects and thus their attitude towards the ones that distribute to them. Whether the mills will have to be content with smaller profits from midsummer on, cannot be determined yet. An event occurred in the United States this week that may or may not be significant; in any case it must be faced as a possibility of conditions in Canada. A number of lines of muslins were offered by the mills at startling reductions, one dropping from 30 cents to 21 cents a yard, and another from 25 cents to 19 cents. A trade report from New York says in reference to this: "No such sweeping reductions have been made with such abruptness in a single day, it is believed, in fifty years. It may mean, it is true, much more than appears on the surface. It may mean a clarifying of the atmosphere throughout the cotton manufacturing business of this country. It may mean an automatic shunting of wages in the mills to a lower level, and, of course, it may mean larger sales at the reduced profits."

All along THE FINANCIAL POST has contended that with war prices falling—whenever they do—the mills could not expect the same aggregate of profits on the same volume of sales, and that the sales must be increased if the mills wanted to retain the profits they had made during the war. Some of these, as has been indicated before, are making efforts to this end, and with good prospects of success. Those that do not are almost certain to show lower profits within the year.

	Last Jan. 9	Sales Jan.16	Chge
Can. Cot., com.	68	68	...
Do., pref.	*76	76	...
Dom. Tex., com.	103	102	— 1
Do., pref.	101½	101	— ½
Mon. Knit., pref.	78	80	+ 2
Mont. Cot., com.	58⅜	59	+ ⅝
Do., pref.	*100	100¼	+ ¼
Penmans, com.	79	80	+ 1
Do., pref.	85	85	...

*No sales this week.

NATIONAL STEEL CAR

The activity that has been displayed at the plant of the National Steel Car in Hamilton is at last finding an outlet in a movement of stock. Some time ago, when munitions business fell off, an official stated that they were open to take on three or four hundred men. On Thursday the preferred moved up for a gain of five points and something over five hundred shares changed hands, while a barely perceptible gain was started in common. Deferred dividends on this stock now amount to a sum well in advance of the price of the stock, and if adjustments on the French war business are satisfactory, holders should make some money. The company is not given to telling much about its affairs, but one would gather from the sudden and quite marked rise in preferred that an announcement is on the road.

WABASSO COTTONS

Reports come from the Wabasso Cottons that the half year's business to the end of the year 1918, ran well ahead of the corresponding period of 1917. It is understood that plans are being considered for an extension to the cotton mills of about $250,000. The company started the year with the stock at 21, and there was an advance registered of just 40 points before the year ended. The first real movement preceded the declaration of a dividend of 5%, and this was followed six months later by an increase to 6%. The stock this week sold at 59, indicating continuance of its strength.

CANADIAN CONVERTERS

With good reports coming in still of future business, and with orders on hand to occupy them for many months, Canadian Converters stock is holding up well in the market. Several board lots sold this week at 46 to 46¾, and 47 was reached with an odd lot. This is nearly one point above the last sale.

CANADIAN COTTONS

There has been little activity in Canadian Cottons for several weeks, the common stock holding around 68 and 69. A few shares of common sold this week at the "fixed" price of 76.

DOMINION TEXTILE

After the two weeks' rise to 104, there were evidences of some profit taking in Dominion Textile stock this week, and with the buying movement at an end for the time the stock declined from its close at 103 to 102½ and 101¾. At times as low as 100 was bid. The preferred held strong at 101 and 101½.

MONTREAL COTTONS

It is evident that some interests are quite certain of the desirability of the preferred stock of Montreal Cottons for large sales are going through now and then. On Thursday the largest transaction reported up to date was one of 1,000 shares of the preferred at 101¼, "buyers 25 days." The common also became more active and several blocks of 50 sold at 59. Both common and preferred prices are well up to the top levels.

PENMANS

Both common and preferred stocks of Penmans were in evidence this week, and it is clear that investors are not frightened away by the omission of the extra bonus. The common, for odd lots, rose from 77½ to 79¾, while the preferred was firm at 85.

WABASSO COTTONS

As yet there is no indication of any material reduction in the market for the products. The stock firmed up this week, selling at 60, in place of 59.

MILLING

Embargo on Shipments Has Effect of Tying Up The Export Flour Trade

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

Business with the milling companies during the past week has been practically a negligible quantity. The railroad embargo on shipments for the seaboard, that is due not so much to congestion at Canadian ports as at those of Great Britain and France, has brought the export business to a standstill, and those mills who had heavy stocks on hand have been compelled to close down for the time, for lack of facilities for moving stocks, and those still in operation may have to close if the embargo is not soon removed. There is not a very general expectation of any removal however. It is generally felt that the freight situation is only half the reason for the embargo, that the other half may be the fact that the Wheat Export Company have large stocks of flour on hand at the moment, and that they do not feel like bringing further supplies forward until these reserves have been somewhat curtailed.

The domestic business also is anything but heavy at the moment, and the farmer is evidently feeding some of the cheaper grains, as even mill feeds are not in great demand, so that the mills have indeed fallen on some lean years.

There is this much consolation in these conditions, that there appears to be a possibility that the restrictions on the milling of flour may be withdrawn in the near future. When this occurs, and the mills return to the milling of patents, there will unquestionably be a falling off in the demand for standards. It is not altogether to the disadvantage of the companies to have the opportunity of closing and cleaning up present stocks. Just how soon these changes will take place is not known, but it is felt that it will be about as soon as any large miller is sufficiently interested to press the matter.

	Last Jan. 9	Sales Jan.16	Chge
Can. Bread, com.	23⅛	22½	— ⅝
L. of Woods, com.	164	165	+ 1
Do., pref.	*103	106½	+ 3½
Maple Leaf, com.	133½	134½	+ 1
Do., pref.	96½	98	+ 1½
Ogilvie Flour, com.	212	224¾	+12¾
St. Law. Flour, com	94½	94½	...

*No sales this week.

LAKE OF THE WOODS

Owing to the temporary shutting off of orders for export it is understood that most of the mills of the Lake of the Woods Milling Company are shut down, as otherwise the flour would be piling up without any outlet. This condition is not expected to last beyond a very short time, and the strength of the stock has not been affected at all. On the contrary it continues to reach new high levels, and this week a board lot sold at 165, which is high except for some odd lots that were bought for 167.

There was some movement in the Lake of the Woods Milling Company stock, with a shade of improvement in the feeling toward the security, which reached 165 in sales on Tuesday and Wednesday after selling down to 160 on Saturday.

ST. LAWRENCE MILLS

The failure of the directors of St. Lawrence Flour Mills Company to place the stock on a straight dividend basis of ten per cent. instead of 6 per cent. and 4 per cent. of a bonus, last week had little effect on the price the security had been selling for, and the stock found ready buyers to a limited extent at the same level as before, 94½ to 95, and continued this price this week in the earlier part, although some weakness developed later on. Three months ago, when on the expectation of the 2½ per cent. straight the stock rose to 96¾, there was a slump to 90 when no change was made, and when the stock went ex-dividend the price fell to 87½. This time no such slump developed. There is a general belief that the company is well able to pay ten per cent.

MAPLE LEAF MILLING

The Maple Leaf Milling Company reports that stocks are beginning to accumulate, despite the fact that they have found a fairly ready domestic demand; they are facing the possibility of an early shutdown unless the embargo is removed in the meanwhile. As yet no definite decision to shut down has been reached, but it will have to be considered in the near future.

Trading in the common stock of the company was comparatively light, with not much variation from the easier figures of last week. The range for the week was 133¼ to 134. The preferred ranged from 97¾ to 98.

WESTERN CANADA

Business is reported to be somewhat dull by the Western Canada Flour Mills Company and the curtailment of export business is a serious factor. Officers of the company do not look for any immediate withdrawal of this restriction, as they believe that it is partially due to heavy accumulation of stocks in England. They have not yet closed their plant, but it is possible that they may have to do so in the not too distant future.

OGILVIE MILLING

It is understood that there are plans for the doubling of the capital stock of the Ogilvie Milling Company, and making it an even $5,000,000. This has unquestionably added to the interest generally taken in the stock, and had resulted in still further advances. The stock reached a new level of 224¾ in the trading of Saturday last, an advance of 4¾ points over the previous high. The preferred sold at 106. There has been no trading during the present week.

MINING STOCKS

Brisk Week on the Standard Exchange With Silver Stocks in Limelight

That silver properties, which have been thought to be worked out or nearly so, may still contain paying streaks, has been demonstrated in the case of Crown Reserve and the recent discoveries on this property have tended to put new life into other Cobalt issues. It has been a week of brisk trading in several of the silver stocks. Another development, which illustrates future possibilities, has been the anticipated rejuvenation of the Trethewey through important finds on its new property in Gowganda. Both these developments have been of an encouraging character and have injected new life into the silver list, which has been somewhat overshadowed of late by activity among the gold stocks. With the improved labor situation, the drop in the cost of supplies and increased production, there is a more optimistic feeling in the market.

Last week, ore shipments from the Cobalt camp amounted to 620,817 pounds, contained in nine cars. These were shipped as follows:

	Cars	Pounds
McKinley-Darragh	4	281,675
La Rose	3	186,775
Buffalo	1	88,000
Trethewey	1	64,367
Total	9	620,817

Bullion shipments: Mining Corporation of Canada, 32 Bars—32,052.08 ounces.

A preliminary estimate of the mineral production of British Columbia for the last calendar year will probably show a falling-off, according to experts, of about $300,000 in value the estimate being $36,888,087 for 1918, and $37,010,393 for the preceding year. Placer gold production fell off to the extent of $196,000, while there was a gain in lode gold of $1,260,000, the figure for the past year being $3,627,500. There was a $2,300,000 slump in copper, $1,500,000 in lead and $1,300,000 in zinc. These losses were largely offset by the jump of $3,600,000 in coal production, whose value for the year was $11,178,673.

Dividends paid during the year aggregated $3,149,054, which makes a total of $23,560,180 by the five leading mines of the province to the end of 1918. Last year's dividend payers were as follows: Granby Consolidated Mining and Smelting Company, $1,499,848; Consolidated Mining and Smelting Company, $1,046,250; Hedley Gold Mining Co., $144,000; Howe Sound Copper, $396,830, and Crowe's Nest Pass Coal Company, $62,126.

	Last Jan. 9	Sales Jan.16	Chge
Adanac	.10	.12	+.02
Beaver	.41	.41	...
Dome	12.50	12.35	—.15
Dome Ext.	.25	.24	—.01
Hollinger	6.25	6.25	...
McIntyre	1.83	1.83	...
Mining Corp.	2.25	2.35	+.10
Newray	.16	.16	...
Nipissing	8.75	8.50	—.25
Temiskaming	.32	.33	+.01
Vipond	.23½	.23½	...
West Dome	.14½	.15½	+.01
Smelters	.25	.26⅞	+.01⅞

CONIAGAS MINES

An interim dividend of 2½ per cent. has been declared by the Coniagas Mines, payable February 1 to shareholders of record, January 20. Its disbursement will call for $100,000, bringing total payments by the company since 1907 up to $9,340,000. In view of the fact that ore reserves are three years ahead of milling capacity at the present rate of production, and that the surplus amounts to around one and a half million dollars, it is evident the dividend disbursements during 1919 may about equal those of the preceding year.

One thousand shares of Coniagas sold this week in Toronto at 2.75-2.90. The stock is quoted on the New York curb at 2.75-3.00.

CROWN RESERVE

A good deal of interest centres in the annual meetings of Crown Reserve and Porcupine Crown which take place in Montreal on Wednesday next. Important discoveries on the Crown Reserve property, coupled with the early prospect of

Canada's War Loans

For investment funds we recommend the 5½% bonds due 1933 to yield 5.40%.

Let us fill your order for the above.

Nesbitt, Thomson & Company, Limited
INVESTMENT BANKERS
222 St. James St., Montreal
Mercantile Trust Building, Hamilton

Safe and Profitable Investments

Sound securities can now be purchased to yield—

5½% - 8½%

Lists sent free on application.

Orders placed with us for Victory Bonds are filled at official prices, and the bonds delivered at purchaser's local bank free of charges and subject to inspection before payment.

GRAHAM, SANSON & CO
INVESTMENT BANKERS
Members Toronto Stock Exchange
85 BAY STREET, TORONTO

J. B. FERGUSON J. Y. ORMSBY

FERGUSON & ORMSBY

We Buy and Sell
Victory Loan Bonds

120 Bay Street Toronto, Canada

a resumption of operation at Porcupine Crown, lend color to the belief that Crown Reserve will soon be back on a dividend-paying basis. The finances of the company are reported to be in excellent shape, thanks to the policy of conservation which has been pursued during the past year or two.

Crown Reserve shares were in strong demand during the week, 67,120 shares changing hands up to Thursday's close. The price jumped from 34, at the end of last week, to 55 on Thursday. This is the highest price recorded for the stock since September, 1916.

DOME MINES

A report covering the first nine months of 1918 has been issued by Dome Mines. It shows a reduction in surplus from $531,948 to $263,929. At present conditions are not such as to warrant planning the immediate resumption of milling, though they are altering rapidly. The estimated ore reserves remain at 1,950,000 tons, valued at $9,945,000.

GRANBY CONSOLIDATED

The by-products plants which Granby Consolidated has had under construction for the last few months at an estimated cost of about $3,500,000 will be ready for operation by May, according to the *Wall Street Journal.* It had been planned to have this new unit, erected for the production of the company's own coke supply, put into operation during the closing months of 1918, but inability to get sufficient labor delayed the program.

Not only will Granby have its own coke supplies assured, but there will be an overflow production for the custom market. Through this operation the management expects to lower the cost of its coke to about $5 a ton.

Curtailment of copper production has not yet taken place at either of the Granby properties. As it has been costing close to 20 cents a pound to turn out its copper produced at the old Phoenix property, the settling of the copper market to or near that level would automatically preclude any profit whatsoever.

KERR LAKE

Directors of Kerr Lake Mines have declared the regular quarterly dividend of 25 cents per share on the capital stock of the company, this being payable on March 15 to shareholders of record March 1.

Sales of Kerr Lake stock are of rare occurrence on the Standard Exchange. Since the first of the year only two transactions are recorded, both being at 5.60. On the New York curb, Kerr Lake is quoted at 5.50-5.75. At these prices it is yielding about 19 per cent. per annum.

LAKE SHORE MINES

The annual meeting of the Lake Shore Mines, Limited, is scheduled for Monday and will take place at Kirkland Lake. The annual report will be examined with much interest, as it is expected to reveal some of the interesting possibilities of this camp. During its ten months of operation, the mine has produced around $400,000, has disbursed $100,000, has built up a substantial surplus and has piled up a large reserve of ore.

McINTYRE

McIntyre shares have been holding the ground gained last week remarkably well and on Monday, Tuesday and Wednesday transactions were recorded at the high price of 1.84 reached during the previous week. On Thursday, sales took place at 1.83.

Some speculation is being indulged in regarding McIntyre's request for a 12-month extension of its option on Plenaurum. In the Porcupine camp it is stated to be the belief that the past year's development work has not been particularly successful or else there would be an inclination to take up the option. At the same time the labor shortage has undoubtedly prevented a thorough testing-out of the property.

NIPISSING

During December the Nipissing Mining Company mined ore of an estimated value of $254,108 and shipped products from Nipissing and customs ore of an estimated net value of $687,285. For November the figures were $281,078 and $431,605 respectively. 182 tons of high-grade ore were treated. The refinery shipped 577,402 fine ounces of silver and the low-grade mill treated 6,700 tons.

A few shares of Nipissing sold on the Standard Exchange this week at 8.25-8.50. On the New York curb the stock is quoted at 8.12½-8.37½, at which prices the yield is 12 per cent. per annum.

CONSOLIDATED SMELTERS

Particulars of the new $3,000,000 bond issue authorized at the recent annual meeting of the Consolidated Mining & Smelting Co. of Canada, for the purpose of reducing the company's overdraft at the bank, extending the plant of the West Kootenay Power & Light Co. and increasing the capacity of the copper refinery from 20 to 50 tons a day, are being mailed to shareholders. The issue consists of 7 per cent., 10-year debentures, dated January 1, 1919, and is being offered to shareholders at the rate of one $100 bond for each 16 shares held. 10 per cent. is payable on application and the balance on allotment, the opportunity to subscribe expiring on February 3.

Elsewhere in this issue an article appears dealing with the present position and outlook of the company, which contains interesting information for shareholders.

There was a big market for Smelters stock this week, both in Montreal and Toronto, and from the low of 19⅜ registered last week, the stock recovered to 27½, closing on Thursday at 26½.

TOUGH-OAKES

According to a Kirkland Lake despatch there is a likelihood that the Tough Oakes Mine will soon be placed on an operating basis again. It will be recalled that this property was formerly the leading producer of the Kirkland Lake camp, its production averaging about $60,000 per month. The company also was on a dividend-paying basis. Then litigation took place and operations ceased, though the mine has been kept in a good state of repair and can be started up again without delay. The Kirkland Lake report states that representatives of the new controlling interests in London will shortly visit the property.

TRETHEWEY

A feature of the week in the mining market has been the spectacular rise in Tretheway shares, which have been pretty much a dead issue for some time back. Last week the stock sold at 19. On Wednesday a small block came out at 21½, while on Thursday 50,000 shares changed hands at 25-42. Not since the early days of 1913 have Trethewey shares commanded such a price.

The sharp rise is attributed to important developments on the company's Castle property in Gowganda. While there is no official confirmation of these developments, it is pretty well known that the management have been striking things rich in this quarter. It may now be recalled that in the directors' report at the last annual meeting it was stated that all indications were that the option on the Castle mine was the most promising option secured by the company in its search for a new producing property.

PULP AND PAPER

Market Conditions at Present Rather Quiet With no Marked Price Changes

By W. A. CRAICK.

The pulp and paper stocks have experienced a rather quiet and featureless sort of week. Price tendencies, if anything, have been downward, though changes have in no case been extensive. There will be a tendency now to wait the outcome of the newsprint case, which has been before the appeal tribunal most of the week and which will be continued into next week. Counsel for the manufacturers have had the floor this week and have sought to answer the arguments advanced by counsel for the publishers. It was contended on behalf of the manufacturers that unless it were shown that publishers were being ruined, there was no justice in fixing prices. It was declared that no attempt had been made before Mr. Pringle to prove that newspapers were being ruined. In fact, Government counsel had in 1917 objected to evidence being taken to show that newspapers could pass on to their customers the increased cost of newsprint.

Another point made by counsel for the manufacturers was that in the years prior to the war, practically none of the mills were able to make a cent, while now publishers' counsel argued that at pre-war prices the mills could make a handsome profit. The argument, declared the counsel, ended in a reductio ad absurdum.

Next week a delegation representing the users of book and half-tone news papers will wait on the Government and urge that Commissioner Pringle be compelled to carry out the instructions contained in the order-in-council empowering him to investigate the costs of these papers.

	Bid	Asked	Sale
Laurentide	195	195½	195
Riordon	...	117¼	117¼
Spanish, com.	...	...	17½
Wayagamack	51	53	51½
Brompton	60	60¾	61
N. A. Pulp	...	...	2⅝
Price Bros.	158	...	155
Toronto Paper	65	69	69
Smith, H., com.	...	...	65½
Provincial, com.	...	...	49
Do., pref.	...	...	83
Abitibi	49	...	49½

BROMPTON

As has been expected for a few weeks past, the same dividend rate of 1¼ per cent. for the quarter was declared on Thursday on the stock of the Brompton Pulp & Paper Company. This covers the quarter ending January 31, and is payable on Feb. 7 to holders of record Jan. 31. With the paper investigation still unsettled at Ottawa the directors naturally felt that they could not assume any heavier obligation for the company until the price of paper has been fixed, for some time in the future, or, as they would prefer, that the restrictions were lifted, and the price left to the open market to determine. Under this condition it is believed the mills would receive more than they are allowed under the terms imposed by the Commissioner, R. A. Pringle, K.C. It is well, probably, that the newsprint output of Brompton bulks so little in the aggregate production, as without timber limits the costs are so high that they were disregarded in the Government investigation. An excellent report is looked for as a result of the year's operations, and the profits will show up well in advance of the previous year.

LAURENTIDE

The investigation of the price of newsprint and the operations of the Canadian mills serves to emphasize the unique position in which the Laurentide Company is placed in regard to costs. Its costs are so low that the counsel for the newsprint mills found it advisable to protest against its figures being taken as typical of the average of the mills in this country. It is this feeling of strength, low costs of production and an assured and growing market for its increasing production, that make the stock of this company stand out as one of the towers of strength on the market. In spite of the fact that from its recent low the stock has moved up in a few weeks 27 points, or 30 points counting the high of 198 of a fortnight ago, buying of any account serves to raise the price, as was the case this week when it rose to 195¼ on limited purchases, and bids of 195 failed to dislodge a single share up to Thursday. An interesting story was heard this week that there would be a division of the stock into three parts, each of which would pay about 5 per cent., or a total of 15 per cent. on the present basis, and that this would be done for the purpose of creating a wider market for the stock, since its present price near 200 naturally limits the trading area. The other theory of its special strength above what might be expected from the increase from 10 to 12 per cent., is that it will disburse three per cent. additional as soon as the Laurentide Power Company fixes its dividend at 4 per cent., which is expected in the spring, possibly in April.

PUBLIC UTILITIES

Interesting Situation at Hamilton as Result of Proposal That Hydro Take Over System

An interesting new phase in the relations between the Hydro-Electric Commission of Ontario and the private utilities companies is indicated in the news from Hamilton that the city council has asked the Beck Commission to take over the local street railway system. At the moment there is nothing available, but in the announcement as given there are vague possibilities as to what influences may underline a movement of this kind. As regards the radial line, a basis of agreement has been reached between a special committee of the Burlington Town Council and the Legal Department of the Hamilton Radial Railway Co., which if ratified by the Burlington Council will bring about the resumption of an hourly service between Hamilton and Burlington within a day or two. This agreement calls for the suspension of the franchise by-law of Burlington for one year from this date, and a new scale of rates to be followed for that period by the company.

Stock market developments of the week have been anything but reassuring to the holders of street railway securities in Canada. Both Toronto and Winnipeg railway stocks have declined sharply and are now selling in Toronto at prices considerably below the minimums still being maintained in Montreal.

DETROIT-UNITED

The Detroit United Railway Company is entitled to a reasonable return on its investment, according to a majority opinion of the Supreme Court of the United States upholding the right of the company to increase its fares, and reversing the decision of the lower court. During the past 18 months the management have been pursuing a conservative policy regarding the publication of monthly earnings figures, so that it is impossible to formulate an idea as to what kind of a report will make its appearance at the annual meeting on February 4. It is believed, however, that the statement will be equally as good as last year's, which, in a general way, was considered satisfactory, apart from the rather involved consideration of increased fares, which has cast a shadow over the company's operations. Interests associated with the company, however, appear confident that the affairs of the road will shape up better in the future, and are inclined to the belief that the worst has been seen. In this connection it is notable that the company has been able to maintain its regular dividends on the stock, while other public utility shareholders have suffered through either the reduction or abolition of payments.

SHAWINIGAN

A special general meeting of the shareholders of the Shawinigan Water & Power Company has been called for Feb. 18 for the purpose of sanctioning a by-law of the company passed by the directors on Dec. 3, authorizing the directors to exercise borrowing powers of the company and to give security for all loans and advances. It is stated by the company that this meeting, which will be held in conjunction with the general meeting, is being held merely to rectify an irregularity in the present existing by-laws of the company, and that no new financing is involved in the procedure. The reports issued from time to time indicate a steady increase of business for the company, although it is expected that the rate of increase during the latter part of the war may not be altogether maintained for a time with war orders cut off in the case of several plants. However, strong faith in the future of Shawinigan and its associated manufacturing plants reigns strong among the shareholders, as does the expectation of an increase in the dividend to 8 per cent. some time in the present year. The stock, ex-dividend, firmed up this week to 115½, and ended quite strong on Thursday.

DULUTH-SUPERIOR

The earnings statement of the Duluth-Superior Traction Company shows gross earnings for the week ending January 7, amounting to $31,747 compared with $31,852 for the corresponding period in 1918, a decrease of $106 or 3 per cent.

PORTO RICO RAILWAYS

Although the complete figures are not yet available, THE FINANCIAL POST understands from president D. E. Thomson, of the Porto Rico railways, that the gross figures for 1918 will establish a new high record by a considerable margin, while at the same time there will also be a substantial increase in the net. The company had expected to make even a better showing, but owing to an unusually dry spell, which required operation of the steam generating plant, the advantages of the increased volume of business were to a large extent lost, while the smaller volume of freight because of the effect of the dry weather on the harvest offset the advantages of increased freight rates. The light and power departments are making a very good showing. Altogether the year's results must be accepted as satisfactory and the future, although somewhat uncertain, is regarded with confidence. Other features of the company's position are dealt with in the Investor's Inquiries column.

MONTREAL POWER

An arbitration board appointed under the Lemieux Act is hearing a complaint of employees of the Montreal Light, Heat & Power Consolidated, that the company refused to increase their wages and that some men were dismissed on a few minutes' notice, and without justification. The men claim also that intimidation had been used in order to prevent them joining the union, and that their personal freedom of action under present conditions is embarrassed. They are demanding an increase of 20 per cent. in wages, recognition of the union, the appointment of a grievance committee, an eight-hour day, double time for work on Sundays and holidays, and time and a half for overtime. T. H. Bertram, fair wage officer for Eastern Canada, who was called, stated that the average increase in wages in Montreal since the war began was 60 per cent., and declared that the company had refused arbitration to him.

The price of the stock was rather easier this week and sold off to 86½.

MONTREAL TRAMWAYS CO.

The city of Montreal is taking legal proceedings to collect a big bill from the Montreal Tramways Company amounting to $800,000. This has been allowed to drag on for several years, but the Civic Commission has decided the claims must be tested at once.

The reported arrangement for meeting the maturing notes of the Montreal Tramways & Power Company for $5,350,000, coming due on the first of next April in New York, will relieve the company of the danger, if such there was at any time, of having the bondholders exercise their right to 16,000 shares of Tramways pledged as part of the security for the notes. It is understood that a still larger issue will be pledged for the new issue of $7,300,000, but these will not be due for five years.

MARITIME TELEGRAPH

An offering of $350,000 of 7 per cent. cumulative preferred stock of the Maritime Telegraph and Telephone Company, par value $10, is being made at par and accrued interest—interest payable quarterly 1st January, April, July and October. This issue carries the recommendation of the following syndicate: J. M. Robinson & Sons, J. C. Mackintosh & Co., Eastern Securities Co., Ltd., W. F. Mahon & Co., Standard Bond Corporation, Ltd., and H. M. Bradford.

The purpose of the issue is to provide for additional facilities for the extension of the company's business. It is at present impossible to keep pace with the demand both for new telephones and long distance services owing to the rapid and continuous growth of the past few years.

These shares rank equally as to assets and dividends with the old 6 per cent. preferred stock. The company now pays 6 per cent. on its common stock; the mortgage is closed; and by an Act of Legislature in 1917 the company is allowed to earn 8 per cent. on the cost of extensions provided for by this issue. Net earnings in 1917 amounted to over twice the amount required for dividends on the outstanding preferred stock.

HAVANA ELECTRIC

The November earnings statement of the Havana Electric Railway, Light and Power Co., showed gross earnings amounting to $690,704, an increase over the figures for the same month in 1917 of $47,301. Operating expenses at $332,-

Continued on page 6

CANADIAN GOVERNMENT MUNICIPAL AND CORPORATION BONDS

Service

Eighteen years of service to investors in Canadian Bonds places us in a position to offer all facilities to aid in satisfactory buying, selling or investigating these securities.

Any inquiry in respect to Municipal, Railroad, Public Utility or Standard Industrial issues of the Dominion of Canada will receive our best attention and advice.

Correspondence Invited.

DOMINION SECURITIES CORPORATION LIMITED

HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

Ottawa Finds It Pays to Advertise

Now, when this country faces so many great issues, it would be a grave error indeed if that potent force, advertising, so successfully utilized by the Government to overcome its war-time problems—was not employed to the fullest extent in solving our peace-time difficulties.

Do you know how publicity helped to register 5,000,000 people in one day—
How it turned a nation into bond-buyers—
What it accomplished in food conservation—
How it eliminated waste and increased production—
How it aided administration of war measures?

If you do not—then read Mr. William Byron's article, "Ottawa Makes a Discovery," in the January issue of MACLEAN'S. Mr. Byron's article is not a cut and dried discussion of advertising, but a remarkable story of achievement. It proves by facts that through publicity, Canadian energies can be combined into mighty forces, that will help solve our peace-time problems.

READ IT IN MACLEAN'S

Over 65,000 Canadian Families Buy

MACLEAN'S

"CANADA'S NATIONAL MAGAZINE"

JANUARY ISSUE Now On Sale At All News Dealers

20c PER COPY. $2.00 PER YEAR.

These Questions Affect *YOU*
Can You Answer Them?

1. Will the ending of the war help or hurt the price of such stocks as Baldwin, Bethlehem Steel, Midvale, etc.?
2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

Questions such as the above are intelligently discussed and definitely answered in every issue of *The Investment Weekly.* Can you afford to be without it?

Send for circular No. 6 and free sample copy or, better yet, send one dollar for ten weeks' trial subscription.

THE INVESTMENT WEEKLY
42 BROADWAY NEW YORK

CANADIAN PACIFIC

DAILY TRAIN SERVICE

TORONTO - WINNIPEG - VANCOUVER

Leave Toronto 7 p.m.
Arrive Winnipeg 12.10 p.m. (Second Day)
Arrive Vancouver 10.05 p.m. (Fourth Day)

THROUGH EQUIPMENT

Compartment Observation Cars, Standard and Tourist Sleeping Cars, Dining Car, First-Class Coaches, Colonist Cars, Toronto to Vancouver.

A round-trip ticket to the Pacific Coast via the "Canadian Pacific" permits a wide diversity of routes without additional charge.

CANADIAN PACIFIC HOTELS IN WESTERN CANADA
OPEN ALL THE YEAR ROUND

"Royal Alexandra," Winnipeg; "Palliser Hotel," Calgary;
"Vancouver Hotel," Vancouver; "Empress Hotel," Victoria

Passengers for California should arrange their trip to include the Canadian Pacific Rockies

Particulars from Canadian Pacific Ticket Agents. W. B. HOWARD, District Passenger Agent, Toronto

LABOR THE BIG FACTOR IN FUTURE OF CONSOLIDATED

Smelters Outlook Bright if Costs Can Be Kept Down

PLANT IMPROVEMENTS

Copper Refinery to be Enlarged—Zinc Production on a Much Improved Basis

The uncertainty of the situation between industry and labor, both as regards market values and the possibilities of disturbances during the period of readjustment, is regarded as perhaps the greatest factor in the business situation to-day by W. D. Matthews, president of the Consolidated Mining and Smelting Company of Canada. This applies directly to the mining industry of British Columbia and to the affairs of the Consolidated Compaany.

The company had a strike during the latter part of 1917 when the men stayed out for six weeks before returning under the terms of an agreement which they had repudiated. This strike was largely the result of the activities of I.W.W. agitators in the face of the opinion of the majority who never really favored such action. The insidious influences of the I.W.W. tendencies are, however, difficult to counteract and they must be counted as a certain menace during the period of general labor readjustment. The cost of labor is an important factor in the operation of the company's plant and properties and, together with the increased cost of explosives and other commodities, has to a large extent offset the advantages of the higher prices for the company's products which have prevailed under war conditions. If the company can keep production costs down to a basis where the market will provide a reasonable margin of profit the future is assured.

With other refining costs in satisfactory relationship to the market, the reference in the annual report to the successful solution of the problem of treating the complex zinc ores of the Sullivan mine becomes very significant. As the result many millions of tons of ore have been brought to a commercial value which had not before been considered in that light. In this connection the report says:

> With a plant operating on from one to two thousand tons of this ore per day there should be no trouble in producing zinc and lead at a profit on any market that has existed in recent years, provided that the cost of labor and supplies falls with the price of these metals.
>
> This successful solution of the problem makes available many millions of tons of mixed ore in the Sullivan Mine which, formerly, could not be considered commercial ore although very high in metal content.

Further, it is stated that some headway has also been made on the concentration of the low sulphide ores from Rossland; these results being especially encouraging as the portion of the Rossland ores most amenable to concentration is that which is the most difficult and expensive to smelt.

According to Assistant General Manager S. G. Blaylock, great strides have been made in reducing the costs and increasing the efficiency in the mines, though the full force of these will not be felt till working conditions become normal again. Much depends, therefore, upon the readjustment of prices of labor and other factors in the cost of production.

Production Problems

The Consolidated Smelter is now equipped to produce copper, zinc, lead, gold and silver. In respect to equipment and methods Mr. Matthews says that the company's position has been considerably improved during the year. In this connection he mentions in his report that the copper refinery should be increased from its present capacity of twenty tons per day to at least 50 tons per day.

Then the improved system of treatment of the Sullivan ores has, according to General Manager Warren added many years to the life of that property and has made it one of the most valuable mineral deposits in America if not in the world. Many important changes were made at the zinc plant during the year. At the beginning of the year the cost of production was so high that it would not have been possible to keep the plant running when zinc dropped to its normal price; discoveries in connection with the Sullivan ores changed this.

The new financing of the company involving an issue of $3,000,000 bonds will be used to reduce bank indebtedness, to develop the West Kootenay Power and Light Company and for the extension of the copper refinery; a new rod mill is to be installed.

Altogether there is much to explain the interest recently shown in the stock by investors.

NEWS OF SECURITIES

Continued from page 4.

865 were higher by $48,373, while net earnings amounting to $357,839 showed a falling off of $1,072. For the eleven months ending with November the gross totalled $7,466,653, a gain of $1,150,842 over the corresponding period in 1917, and net at $4,026,922 showed a gain of $462,757.

BELL TELEPHONE

At the sitting of the Railway Commission at Toronto this week the application of the Bell Telephone Company for permission to increase rates was considered and several statements in opposition were recorded. Commissioner Bradshaw, of the city department of finance, argued that there would not appear to be any difficulty in the way of the company securing additional capital through the issue of bonds or short-term notes. He made the suggestion also that if the Canadian company needed money it might call upon the American concern for advances.

The market for the company's stock remains steady at 130.

BRAZILIAN

Brazilian has continued to attract only moderate interest this week and there was practically no change in the general price level until the late trading when the quotation advanced to 55; 52½ was the low point and 53 the high last week.

TORONTO RAILWAY

The market for Toronto Railway broke sharply this week when from 54½ the price dropped to 49 on the Toronto Exchange as compared with the minimum price of 60 still being maintained in Montreal.

Another phase of the continuous controversy between the city and the company opened this week when the new Board of Control opened the year's work by an attack upon the company regarding the overcrowding of cars and decided to ask the Railway Board for an order compelling the company to reopen its car shops.

WINNIPEG RAILWAY

The sad market history of Winnipeg Rails recorded another tragic chapter this week when the price which so long remained pegged at 48 by the minimum regulations and last week broke to 45, dropped a full ten points to 35. There were no particular new developments to account for the weakness.

MACKAY

There has been moderate trading in Mackay securities this week. The common was rather weak and declined to 73½, while the preferred at 65 showed no change.

TRANSPORTATION

Little Trouble Anticipated in Meeting Employees on Time Agreement

Negotiations are still in progress between the Railway War Board, the shippers and the Freight Handlers' International organization for the purpose of fixing definitely the hours of labor for the handlers of freight. On the first of last September the last McAdoo amendment establishing an eight-hour day for the remaining classes of railway employees went into effect in Canada, but so far it has been found difficult to arrange this system for the freight handlers. At a recent meeting in Toronto members of the Board of Trade, wholesale grocers and others declared that they could not get their shipments in time if the freight offices closed at five o'clock. The grocers were especially opposed to the "union" hours, 7 a.m. to 5 p.m., on the ground that shipments of goods in the afternoon would be interfered with seriously, and their business injured.

Representations have been made to the Railway War Board that the men do not want to work any more than eight hours a day, no matter what the extra inducement in the matter of pay. They declare that they have been in the habit of getting home late every evening, and have no home life, and the railway authorities recognize the justice of their objection to a continuance of the long hours. An effort is being made to get matters adjusted so that the last goods from the shippers would reach the sheds at about 5 p.m. each day, and that these be handled and placed in the cars by the men afterwards. This would permit them to leave for their homes at about six o'clock each day, and make the day a nine-hour one in place of eight. At the time of the salary adjustments there was an increase of about 33 per cent. in actual wages, and the time was cut down from ten, eleven or twelve hours to eight, making the real increase per hour well above 40 per cent.

Generally speaking transportation in Canada is in good shape this winter, according to M. M. Neal, of the Railway War Board. The special arrangement by which the authorities at Washington agreed to facilitate the return of empties to Canada continues to work out very advantageously, and within the year the number of cars returned to Canada, over and above those that would have come back in the ordinary course has reached the gratifying total of 97,600. Just what increase in shipping facilities this large number of cars that have been added to the railways' rolling stock in this period need not be demonstrated. So far as the railways themselves are concerned the open winter has helped enormously in solving the coal problem, and this with the increased cars at their disposal has greatly improved the situation compared with one year ago.

Freight congestion is reported at North Atlantic, South Atlantic and Gulf ports by the United States Exports Control Committee covering conditions as at January 4, and made public by Director General McAdoo. This, it is explained, is due to the delay of acceptances of freight by ships on account of the inefficiency of labor during the holiday season and delays in shipping incident to dull weather. The movement of foodstuffs to be sent overseas and used in relief work continues unabated. It was conditdions similar to this, which, reflecting later on movements of freight from interior terminals, was largely responsible for the transportation conditions which prevailed two years ago and which were very seriously emphasized by severe winter weather.

For Week Ending January 7

	1919	1918	Change	%
C.P.R. ..	$2,856,000	$2,343,000	+$513,000	21.9
C.N.R. ..	779,400	565,800	+ 213,600	37.8
G.T.R. ..	1,003,631	773,848	+ 229,783	29.7
	$4,639,031	$3,682,648	+$956,383	25.9

GRAND TRUNK

Gross receipts of the Grand Trunk Railway for the first week of January amounted to $1,003,631, an increase of $229,783 or 29.7 per cent. over the figures for the corresponding period in 1918, when the receipts were $773,848.

The Grand Trunk Pacific Railway reports gross earnings for the week ending December 14, amounting to £36,970 against £23,897 for the corresponding period in 1917, an increase of £13,073, while from July 1 to December 14 the earnings totalled £671,809 compared with £698,896, a decrease of £27,087.

CANADIAN NORTHERN

The Canadian Northern Railway gross receipts for the first week of January amounted to $779,400 against $565,800 for the corresponding period in 1918, an increase of $213,600 or 37.8 per cent.

CANADIAN PACIFIC

For the first week of January gross earnings of the Canadian Pacific Railway totalled $2,856,000 as compared with $2,343,000 for the corresponding period in 1918, an increase of $513,000 or 21.9 per cent.

There have been no transactions on the Canadian Exchange since last report. New York quotations indicate little change as compared with sales in Canada last week at 160.

CANADA STEAMSHIP LINES

Further disappointment was in store for the shareholders of Canada Steamship Lines on Tuesday of this week when the directors at their regular monthly meeting adjourned without handing out the expected dividend. This, by the way, was mentioned at 6% at first; then it was to be 5% "sure"; then finally the figure is reduced according to current street rumor to only 4%. The reason given for the delay of the directors is that the final reports for the year ending Dec. 31, for the Atlantic services of the company, that is their overseas (war) business, were not to hand, and that it was considered more advisable not to commit the company to any dividend obligation until complete returns were before the Board. A slump of two points took place at once, and a board lot went through at 43, which is 7¾ points below the price at which the stock was selling on the day that the managing director arrived home from England a few weeks ago, just before Christmas.

OTHER STOCKS

AMES, HOLDEN, McCREADY

Another movement took place in Ames, Holden, McCready stock this week, the preferred rising from 70 to 73, and closing 73 bid on Thursday, and the common selling at 28. The 73 is ½ point higher than the highest reached in the upward rise in July and August. The story supporting the last move is that the United States Rubber Co. is arranging to acquire the Ames, Holden, McCready properties, and will amalgamate these with the Canadian Consolidated Rubber Co.'s plant, as Ames, Holden, McCready take over $1,000,000 worth of goods from the Canadian Consolidated every year. This latter company is understood to be controlled by the United States Rubber Co. The combined operation of the two plants, it is said, could be carried out at a great saving in overhead costs.

ATLANTIC SUGAR

The preferred and common stock, amounting to $2,500,000 and $3,500,000 respectively, of the Atlantic Sugar Refineries, were listed on the Montreal Stock Exchange this week, the first new issue there of the present year, of stocks, leaving out of consideration the Victory Bonds and the City of Montreal issues. There is much curiosity to see what prices will be obtained for the two stocks, for up to the present there has been little interest shown in this issue outside of a small circle. The company first started operations in January, 1915, and has had to contend for the greater part of the four years with difficult war conditions, and for the past year with a restriction in the amount of raw material that was allowed into Canada, and consequently its output was cut down below what an enterprising campaign for sales would otherwise have entitled it to. In two years' time the sales, however, increased from $6,000,000 to over $10,000,000, and by the end of the fiscal year of 1919, namely April 30, it is likely that the production will have exceeded these figures, if export business that the firm hopes soon to be able to arrange comes through.

The stock will reach the Exchange in the position of having not one cent of banking indebtedness and standing right among the front ranks of sugar producers in Canada.

Stock Movements of the Week

Week ending Jan. 16, 1919:

	Ask	Bid	High	Low	Close	Sales	Yield to Jan. 16	Minimum Prices
Banks—								
Commerce	...	213½	215	213¾	215	252	4.67	185
Dominion	...	215	216	215	216	11	5.71	202
Hamilton	...	202	209	201	209	78	6.00	184
Hochelaga	...	...	148	147	148	106	6.29	140
Imperial	...	206	203½	203	203	71	5.91	185
Merchants	...	186	190	190	190	46	5.46	167
Montreal	...	215	216	215	216	148	4.65	210
Nova Scotia	...	256	256	256	256	24	5.49	248
Ottawa	206	203	205	205	205	10	5.82	201
Royal	213½	...	214	213	213½	44	5.60	208
Standard	...	215	215	215	215	25	6.66	200
Toronto	205	200¼	200¼	193	200	238	5.69	187
Union	...	...	169⅜	166½	166½	8	5.29	136
Transportation—								
Barcelona	13	15⅝	13¼	12¾	12¾	590	....	...
Brazilian	54½	54¼	55	52⅛	54½	1,467	....	32
Can. Steamships, com.	44¼	43½	45½	42¼	44¼	966	....	39¼
Do., pref.	79	78¾	79	78½	79	915	8.86	76
Toronto Rly.	50	48	50½	49	49	65	7.40	60
Twin City	41	39	40⅛	40	40⅛	13	10.00	...
Winnipeg Electric	38	35	86	35	35	43	20.00	48
Telegraph, Light and Power—								
Bell Telephone	120	...	130	130	130	1	6.15	130
Consumers Gas	...	150	150	150	150	3	6.66	...
Mackay, com.	74	73½	74½	73½	73½	122	8.00	...
Do., pref.	66½	65	65½	65	65	32	6.15	...
Mont. L.,H.&Pr., Con.	87	86¾	87¾	86½	86½	1,302	4.54	68½
Shawinigan	115½	115	116	114½	116	449	6.08	107
Industrials—								
Abitibi Pr. & P, cm.	...	49	49½	49	49½	40	14.58	48
Ames-Holden, com.	29	28	28¼	28	28	268	....	15
Do., pref.	73	71	73	70	72	306	9.85	47
B.C. Fish, com.	49	47	48½	48½	48½	5	10.20	40
Brompton Pulp, com.	60¾	60	61	60	61	213	8.19	39
F. N. Burt, com.	74	72	71	71	71	25	8.33	...
Canada Bread, com.	23½	...	23½	22½	22½	35	....	...
Canada Cement, com.	66¼	66	65⅞	65	65⅞	698	9.23	57
Do., pref.	...	94	96¼	95¾	96	32	7.29	90
Can. Converters	...	...	46¾	46	46	65	10.86	43
Can. Cottons, com.	...	...	68	68	68	100	8.82	48½
Do., pref.	...	...	76	76	76	55	7.89	76
Can. Car & Fdry., cm.	28½	26	29	29	29	5	....	18½
Do., pref.	84	82½	85	84	84	115	8.23	49½
Can. Loco., com.	65	63	63½	62½	63½	97	9.52	58
Do., pref.	...	90	90½	90	90½	83	7.77	84½
Can. Con. Rub., pref.	98	97	98	98	98	50	7.14	97
Can. Gen. Elec., com.	104½	103½	104	104	104	25	7.69	101½
Dominion Bridge	...	...	123	123	123	3	6.50	123
Dom. Canners, com.	37	36	39¼	37½	37½	200	....	23¾
Do., pref.	...	77	76	76	76	55	9.58	...
Dom. Stl., Corp., com.	62¼	61½	62½	61¾	62	841	9.67	52
Dom. Iron & Stl., pref.	...	94½	95	93¾	94	68	7.52	88
Dom. Textile, com.	102	101¾	102½	101¾	102	266	7.76	80¾
Do., pref.	102	100	101½	101	101	32	6.93	100
Goodwins, pref.	...	...	45	45	45	10	....	45
Lake of Woods, com.	167	...	165	160	165	103	6.13	120⅛
Do., pref.	...	...	106½	106½	106½	5	6.79	...
Laurentide	195½	195	195¼	192	195	1,078	6.18	152
A. Macdonald, com.	23	22½	22¼	21½	22	145	....	...
Maple Leaf, com.	135	134	134½	133¼	134	248	7.51	88½
Do., pref.	...	98	98	97¾	98	106	7.29	...
Mont. Cottons, com.	60	59	59	59	59	130	6.89	50
Do., pref.	100	...	100¼	100¼	100¼	1,000	7.00	99½
Mon. Knit., pref.	...	78	80	80	80	10	8.97	...
Nat. Steel Car, com.	5¾	5½	5½	5	5	175	....	...
Do., pref.	27	25½	26	18	24½	290	....	...
Nova Scotia Stl., com.	60	55	60	60	60	5	7.57	66
Do., pref.	...	...	105	105	105	10	7.84	...
Ogilvie Flour, com.	...	...	224¾	220	224¾	50	5.66	140
Do., pref.	...	...	106	106	106	8	6.36	...
Penmans, com.	...	79	80	79¾	80	65	7.59	65
Do., pref.	...	85	85	85	85	24	7.05	81⅞
Price Bros.	...	158	155	150	155	105	5.44	120
Riordon P. & P., com.	117¼	...	117¼	117¼	117¼	45	8.54	117¼
Do., pref.	...	...	94	94	94	1	7.44	92
Russell Motor, pref.	73	70	70	70	70	25	9.33	...
Shredded Wheat, com.	...	...	125	125	125	45	7.14	...
Do., pref.	...	...	89	89	89	21	6.57	...
Span. R. P. & P., com.	...	...	17½	17	17½	40	....	13
Do., pref.	65	64	64¾	64¾	64¾	65	....	50
Steel Co. of Can., com.	63¼	62¼	63¼	62¼	63	1,536	9.23	49½
Do., pref.	...	93	93¾	93½	93½	37	7.36	85¼
Stand. Chemical, pref.	...	...	95	94½	94½	372	....	...
Tuckett Tobacco, com.	25	23½	24½	24	24	120	....	18½
Wabasso Cotton	...	...	60	59	60	89	10.74	...
Wayagamack, com.	53	51	52¼	51	51½	215	....	50
Woods Mfg., com.	...	...	86¼	86¼	86¼	35	8.48	53½

B. C. PACKERS

British Columbia's salmon pack for the past year was greater by 30,642 cases than the pack of 1917, this increase being made possible by the large gain in the amount of cheaper grades of salmon which were packed. In sockeyes and red springs' which comprise the pick of the Pacific Coast salmon, there was a decrease of 57,305 cases. On the Fraser the season was most unsuccessful for the fishermen, many of whom put up their nets, weeks before the close of the season. The following is a comparison of the pack for the various districts of the province, this year and last:

1917 pack—Fraser River, 377,988; Skeena River, 292,219; Rivers Inlet, 95,302; Naas River, 119,495; Vancouver Island, 377,884; outlying, 294,597.

1918 pack—Fraser River, 206,003; Skeena River, 374,216; Rivers Inlet, 103,155; Naas River, 143,908; Vancouver Island, 364,033; outlying, 396,212.

CANADA BREAD

The market for Canada Bread has been somewhat easier this week. After going as high as 23½ there was a mild reaction, and late sales were at 22⅞ to 22½. Business was in very narrow bounds, less than fifty shares changing hands.

CANADA CEMENT

A few hundred shares of Canada Cement have changed hands this week without materially affecting the price. The range has been 65 to 65⅞ as compared with 65 to 65½ last week, but the bulk of the sales have been at a somewhat better level. The preferred has sold around 96 and fractionally better.

CANADIAN RUBBER

One of the occasional transactions in Canadian Consolidated Rubber securities took place this week when fifty shares changed hands at 98. The last previous sale was in September at the same figure.

MACDONALD

Macdonald has been somewhat easier this week selling back to 22 on business involving less than 300 shares. Last week the range was 22 to 24.

PETROLEUM

The market for International Petroleum has continued to strengthen this week with sales in New York at 22 and above; there have been no sales on the local market. Regarding the company's position, James W. Ball & Co., New York, say:—

"We must confess that in announcing the dividend we, together with pretty much everybody else, had overlooked the significance of the fact that the dividend was made payable on December 31, 1918. This, of course, means that the company, instead of paying only 50c a share in that year, actually paid $1 a share, it having previously paid in January, 1918, a dividend of 50c a share. What the directors intend doing from now on no one but themselves knows, and they will not tell. Notwithstanding this studied reticence on the part of the management, there is no hiding the fact that the International Petroleum Company is now in a high state of prosperity, with every reason to anticipate a continuance of this condition of affairs almost without ending. The company has a large producing acreage and a 15,000-barrel refinery in Peru. It also has two distributing stations in that country and six in Chile. Likewise, it has a distributing station in Balbao, on the Panama Canal. The company owns a large fleet of tank steamers and has others under charter. The improved situation in regard to tank steamers and the company's fortunate location with reference to the Panama Canal are looked upon as containing great possibilities for its future. From the recent extreme high figure of $20⅜ a share International Petroleum has reacted to around $17 a share, chiefly on sales to secure profits."

SHREDDED WHEAT

When Shredded Wheat common sold this week at 125, the market concretely indicated the readjustment in the market which has been evident by the quotations for some time although no sales have been recorded. The last previous sale was in September at 112. A few shares of the preferred sold at 89 as compared with a last previous figure of 92 in September.

TUCKETT TOBACCO

There was some renewal of activity in Tuckett common this week with sales at 24 to 24½, showing practically no change from late prices in December.

DEBENTURES FOR SALE

Three Rivers, Que.

TENDERS FOR DEBENTURES

SEALED tenders will be received by the undersigned up to 4 P.M. Monday, January 27th, 1919, for the purchase of $40,000.00 debentures of "The School Commissioners for the City of Three Rivers," Quebec, dated 1st November, 1918, due 1st November, 1928, bearing interest at the rate of 6% per annum, payable half-yearly on 1st May and 1st November each year. Principal and interest payable at the City Treasurer's Office, Three Rivers, Quebec, or at the Hochelaga Bank at Montreal, Quebec, or Three Rivers. Delivery and payment to be made at the Hochelaga Bank, Three Rivers, Montreal or Quebec, on or about the 15th February, 1919, with accrued interest to date of payment. Every tender must be accompanied by a certified cheque payable to the Treasurer of the School Commissioners for the City of Three Rivers, for one per cent. of the total amount of the issue. The highest or any bid will not necessarily be accepted.

Further information and particulars may be obtained upon application to the undersigned.

ARTHUR NOBERT,
Treasurer of the School Commissioners of Three Rivers, Quebec.

DIVIDEND NOTICES

The Merchants Bank of Canada

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of Two and Three-quarters per cent. for the current quarter, being at the rate of Eleven per cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of February next, to Shareholders of record at the close of business on the 15th day of January.

By order of the Board,
D. C. MACAROW,
General Manager.
Montreal, 27th December, 1918.

The Canadian Converters' Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and a quarter (1¼%) per cent. has been declared on the Capital Stock of this Company for the quarter ending 31st January, 1919, payable 15th February, 1919, to Shareholders of record at the close of business 31st January, 1919.

By order of the Board,
THOS. M. BARRINGTON,
Secretary-Treasurer.
Montreal, 10th January, 1919.

The St. Lawrence Flour Mills Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and three-quarters (1¾%) per cent. has been declared on the Preferred Shares of the Company for the quarter ending January 31st, payable on Saturday, February 1st to shareholders of record at close of business January 18th.

By order of the Board,
A. E. GAGNON,
Secretary.

The St. Lawrence Flour Mills Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half (1½%) per cent. and a bonus of one (1%) per cent. have been declared on the Common Shares of the Company for the quarter ending January 31st, payable Saturday, February 1st to shareholders of record at close of business January 18th.

By order of the Board,
A. E. GAGNON,
Secretary.

Dominion Coal Company Limited

NOTICE OF
PREFERRED STOCK DIVIDEND
No. 53

A QUARTERLY Dividend of One and Three-quarters per cent. on the Preferred Stock of the Dominion Coal Company, Limited, has been declared, payable 1st February, to Shareholders of record on 11th January, 1919.

By order of the Board of Directors,
C. S. CAMERON,
Secretary.
Montreal, January 3rd, 1919.

KERR LAKE MINES, Ltd.

61 Broadway, New York, January 8, 1919.

DIVIDEND NO. 6

THE Board of Directors have this day declared a regular quarterly dividend of 25c per share on the capital stock of the Company, payable March 15th, 1919, to stockholders of record at the close of business on March 1st, 1919. Books will not close.

E. H. WESTLAKE,
Treasurer.

ANNUAL MEETINGS

Bank of Nova Scotia

NOTICE is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 22nd January next, at Eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,
H. A. RICHARDSON,
General Manager.
Halifax, N.S., Dec. 14th, 1918.

The Montreal City and District Savings Bank

THE Annual Meeting of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the Tenth day of February next, at 12 o'clock noon, for the reception of the Annual Reports and Statements and the election of Directors.

By order of the Board,
A. P. LESPERANCE,
Montreal, January 3rd, 1919. Manager.

NOTICES

nts Bank
ada

IVIDEND

that a dividend of
rs per cent. for the
the rate of Eleven
the Paid-up Capital
has been declared,
Banking House in
nches, on and after
ext, to Shareholders
business on the 15th

MACAROW,
General Manager.
1918.

nverters'
Limited

OTICE

iven that a divi-
quarter (1¼%)
ared on the Capi-
ny for the quar-
ry, 1919, payable
Shareholders of
of business 31st

d,
RINGTON,
retary-Treasurer.
1919.

nce Flour
, Limited

OTICE

ven that a divi-
three-quarters
een declared on
f the Company
nuary 31st, pay-
bruary 1st to
t close of busi-

. GAGNON,
Secretary.

nce Flour
Limited

TICE

n that a divi-
e-half (1½%)
one (1%) per
n the Common
or the quarter
able Saturday,
ers of record at
18th.

GAGNON,
Secretary.

Company

DIVIDEND

of One and
t. on the Pre-
on Coal Com-
eclared, pay-
areholders of
19.
Directors,
ERON,
Secretary.
9.

ES, Ltd.
, January 8, 1919.
6
ave this day
erly dividend
ital stock of
h 15th, 1919,
the close of
Books will

AKE,
easurer.

INGS

Scotia

that the
g of the
ill be held
llis Street,
22nd Janu-
m., for the
nent of the
election of
ess.

RDSON,
l Manager.

y and
gs

Sharehold-
held at its
, on Mon-
y next, at
ion of the
ts and the

NCE,
Manager.

HOLDINGS OF U.S. STEEL IN CANADA BEING REDUCED

Marked Change in the Total Between Oct. 1st and Jan. 1st

OTHER SECURITIES

Some Figures Showing Trading in C. P. R. Stocks and Canadian Government Bonds in New York

By Special Representative

NEW YORK.—Canadian holdings of United States Steel Corporation securities which represented a par value of $9,160,300 at October 1 last, were reduced to a total of $8,768,600 on January 1, 1919, indicating the liquidation during the final quarter of 1918 of $391,700 (par value) on behalf of Canadian investors.

It may be recalled that during the early autumn intimations were given in this correspondence that Canadians were heavy sellers of their U.S. Steel shares, taking advantage of prices then prevailing together with the 2 per cent. discount on the Canadian dollar in this market which meant an additional profit upon the sale of American securities in New York. Concrete evidence of these rumors is found in the official figures now available.

The comparative table compiled by THE FINANCIAL POST correspondent, as below, gives an interesting insight into the various swings of the Canadian holdings of both U.S. Steel preferred and common stocks since just prior to the begining of the world war.

HOLDINGS OF U. S.

Date	No. shares Com.	No. shares Pref.	Total
June 1914 ...	43,129	35,794	78,923
Dec. 1914 ...	54,259	34,677	88,936
Dec. 1915 ...	38,011	36,453	74,646
June 1916 ...	32,842	35,169	68,011
Dec. 1916 ...	31,662	35,876	67,538
Mar. 1917	33,777	35,962	69,739
June 1917 ...	36,064	34,891	70,955
Sept. 1917 ...	33,980	35,685	69,665
Dec. 1917	41,639	35,201	76,840
Mar. 1918	43,310	36,420	79,730
June 1918 ...	46,179	42,296	88,475
Sept. 1918 ...	50,087	41,516	91,603
Dec. 1918 ...	45,613	42,073	87,686

Canadian holdings at the end of 1914 represented a par value of $8,893,600, but throughout 1915 and 1916 there was a disposition in Canada on the part of holders to liquidate. By the end of 1916 total holdings in Canada had been reduced to $6,753,800. In 1917 there was a steady accumulation of holdings and during 1918, until October 1, there was an even more rapid buying; so much so that on October 1, Canadian holdings of U.S. Steel shares stood at a record level. In the first nine months of 1918 Canadians increased their holdings by $1,476,300 (par value). As all this stock was acquired above par it is immediately clear that nearly $1,750,000 in Canadian cash drifted across the border for the purchase of this widely known security.

Canadian investment in U.S. Steel securities represents one of the most prominent of Canadian capital investment abroad.

Record of Our Stocks

While continual evidence offers of the furtherance of American capital interests in the Dominion, to the north, a study of the New York Stock Exchange records gives an illuminating insight into the dealings in Canadian issues here.

During 1918 New York Stock Exchange transactions in Canadian Pacific common stock reached a total of 592,418 shares, C.P.R. being the only wholly Canadian stock listed in this market. Three maturities of Canadian Government bonds are listed in New York and find an active market. During 1918 transactions were as follows: 1921, $916,000; 1926, $759,000 and 1931, $1,686,000. On the Curb transactions footing $9,200,000 were recorded in the Canadian 2-year notes and $43,000 in C.P.R. 6s. While last year's business in these Canadian issues was large it was not as heavy as in the preceding year, the decrease probably being due to the huge Government loans which were almost continually before the investing public in this country. In 1917 transactions in Canadians were as follows: C.P.R., 1,112,120 shares; Canadian loans, 1921, $1,040,000; 1926, $1,576,000; 1931, $2,145,000; 2-year notes, 1919, $14,443,000, and C.P.R. 6s, $71,000.

CANADIAN LOAN IN UNITED STATES EARLY LIKELIHOOD

Continued from page 1

country if she could sell to Great Britain for cash rather than on credit.

No Share in U.S. Credits

The United States has extended credits to the Allies aggregating more than $8,000,000,000, but Canada has had no share of these direct credits. Secretary of the Treasury Glass states that U.S. Government credits to foreign countries are now restricted to necessary credits for the purchase of foodstuffs in this country. No intimation is given as to whether or not Canada is sharing indirectly in these credit extensions, but it is known that during the twelve months ended June 30th, 1918, Canada benefited to the extent of $400,000,000 from the British credits extended by the United States. This was for account of wheat and munitions purchased by England in the Dominion.

The proposal of Secretary Glass makes it patent that a wide open market for Canadian issues in the United States is about to be witnessed again, a market no longer hampered by war restrictions. The Capital Issues Committee at Washington, atlhough not absolutely dissolved became inactive at the close of December. It will not function again unless the volume of new capital issues threatens to imperil the success of further Government financing, and specifically the forthcoming Fifth Liberty Loan.

Free Market Again

Concrete evidence that this market had once more thrown open to Canadian issues was found in the public offering this week by the Equitable Trust Company of New York of $3,000,000 Province of Ontario 5% Treasury Bills, dated January 13, 1919, and due July 13, 1919; Principal and interest payable in New York City. These new bills are a direct charge on the entire revenues of the province. The offering is given to the public, to yield 5.25 per cent.

MADE-IN-CANADA BRAND POPULAR WITH THE ENGLISH

Prospects Are Opening For Canadian Goods in Britain

A BRITISH VIEW

Representative of Manchester Manufacturing and Jobbing Concern Making Purchases in Montreal

By Resident Representative

MONTREAL.—One of the first definite proofs of the new business that will come to Canadian manufacturers from Europe, now that war is over, was furnished this week in Montreal by R. A. Cowman, as buying representative of a Manchester manufacturing and jobbing house, R. Johnson, Clapham and Morris, Ltd. Already large orders have been placed with Canadian firms in the line of iron, steel and wire products, and a large field is open, Mr. Cowman declared in an interview with THE FINANCIAL POST, for great quantities of bolts and nuts, screws, nails, and many other lines of steel goods.

A very emphatic assurance was given by this English buyer that in the near future at least Canada had no reason to entertain any fear of German competition. Germany, he declared, "will not be permitted to repay her war obligations in German-made goods." A "cold refusal" awaits any such suggestion, and this determination, he believed would guide buying for at least five years to come.

A concrete example of the importance of this position that merchants were taking lay in the case of enamelware. Germany had supplied England with more than 90 per cent. of her enamelware before the war. Now, nothing in this line will be accepted so far as costs were concerned, other countries were more on an equality in wages with Canada than before, and an increase in production would bring the costs of manufacturing still further down in Canada.

Speaking of other lines, Mr. Cowman stated that huge quantities of nails and wire goods had come from Germany prior to the war. Since then they had come from America and elsewhere. It is estimated that, even with great difficulties of transportation, Canada sent to England on an average, 15,000 to 20,000 tons of wire nails and other wire products annually, and these amounts could be increased greatly, for the demand must be filled from abroad.

The war had created a new bond of understanding between England and the overseas Dominions, and the English people were obtaining a new idea of Canada's resources and great expanse. "Made in Canada" is the greatest phrase you can use to-day on a package going into England.

In a copyright cable to the New York "Sun" Samuel Hill, railroad expert, is quoted as saying Americans could restore order on Siberian roads in 90 days.

It was announced this week from Ottawa that, after allowing for the deductions from the larger subscriptions on allotment, the total amount of the last Victory Loan which will be retained by the Government approximates $660,000,000.

OUTPUT OF MINES IN 1918 VALUED AT $220,000,000

Continued from page 1

amounted to 25,459,741 ounces in 1916, and to 22,221,276 ounces in 1917, dropped to approximately 21,000,000 ounces in 1918. Yet with the prices of silver averaging very little under $1.00 an ounce the value of last year's output represented the greatest amount in the history of silver mining.

The production of coal is estimated at 15,180,000 short tons, a gain of over a million tons over 1917. The increase is attributable entirely to the mines of Alberta and British Columbia, which received a great impetus through the enhanced demand from the prairie provinces for fuel. The Nova Scotia mines on the other hand, on account of the shortage of skilled miners, had a lessened output.

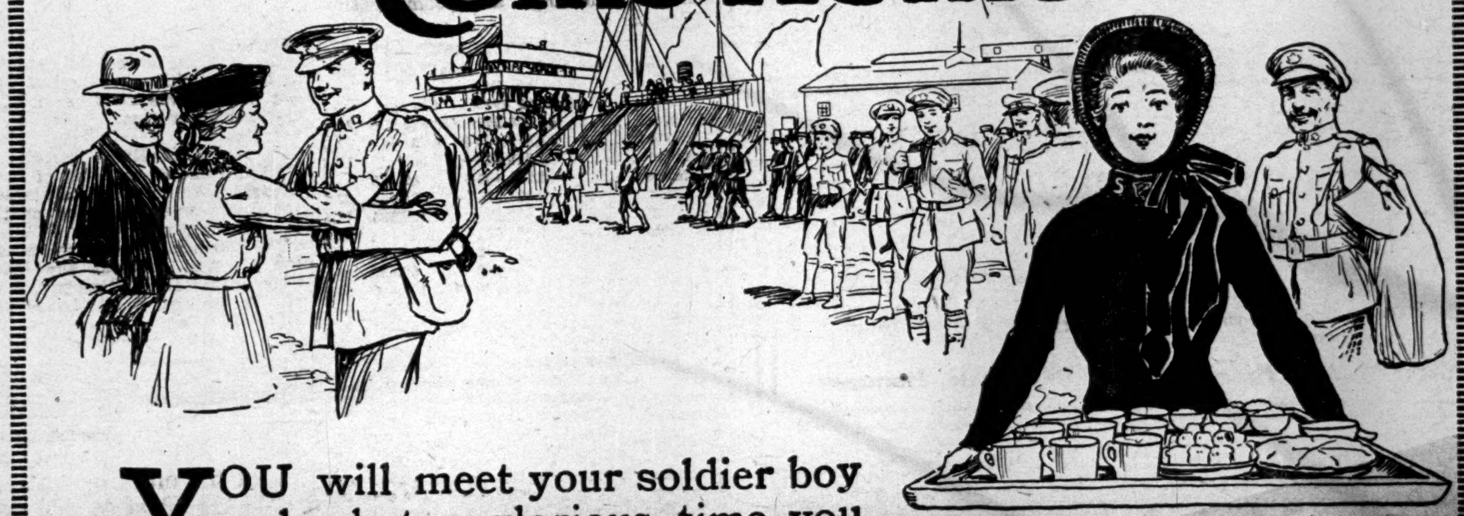
High prices conduced to keep up the output of copper, lead, zinc and nickel. The production of copper is estimated at 117,000,000 lbs., an increase of nearly 8,000,000 lbs. for the year; of zinc, 36,000,000 lbs., an increase of 7,500,000 lbs., and of nickel 91,500,000 pounds, an increase of 9,000,000 lbs. Pig iron production is small though the growth of the Canadian iron and steel industry during the war period has been phenomenal. In fact less than 12 per cent. of total requirements for the manufacture of pig iron is obtained from Canadian iron ores.

With the war over and the demand for metals for munitions making purposes at an end, there is naturally some uncertainty as to the future of many mining enterprises. The gold and silver mines are all right and the production of both metals will be stimulated in any case. But with copper, zinc, lead and nickel, the case is different. Much will depend on general conditions. If the country remains prosperous; if building is prosecuted, and if industrial expansion continues, there will be every reason for believing that the production of all these metals will be maintained, if not increased.

The following table gives the relative production of the principal minerals in 1917 and 1918:—

Value of production	$220,000,000
Coal production (short tons)	15,180,000
Pig iron (short tons)	1,182,000
Steel ingots and castings (tons)	1,910,000
Copper (pounds)	117,000,000
Zinc (pounds)	36,000,000
Gold (value)	14,750,000
Silver (ounces)	20,800,000
Nickel (pounds)	91,500,000

Toronto's civic railways showed an increase of over 19 per cent. in passenger revenue and passengers carried for the year 1918, compared with 1917. The number of passengers carried last year was 19,755,162, compared with 16,478,391 for the preceding year, an increase of 3,276,771, or 19.88 per cent.



Soldiers Home THE SALVATION ARMY Coming Campaign

As the Boys Come Home

YOU will meet your soldier boy and what a glorious time you and he will have. You will kill the proverbial "fatted calf" and make merry. You will see that he is comfortable until he settles down again into civilian life.

But what of the men who arrive at the same time with NO friend to greet them, no home to welcome them, no job to turn to? There's a problem you must face---or let the Salvation Army face it for you.

SALVATION ARMY
MILLION DOLLAR FUND
JANUARY 19-25th.

The Salvation Army fills the breach here at home, just as it did, and still does, over there! It holds out open arms to the soldiers, welcomes them, feeds them, furnishes clean beds and hot baths, comforts for body and soul, and stands by a man and his family until he is on his feet.

Canada must solve the problem of repatriating her soldier sons who have done their part so valiantly.

Apart from all obvious considerations of gratitude, it will pay us in dollars and cents to let the soldiers see we are standing firmly by them. To desert our men now the excitement of war is passed, would be to earn their just reproaches. Look at this appeal from all sides; ask any returned man about the work of the Salvation Army. Then help to make this campaign the success it deserves to be.

"They loved not their lives to the death"

Who provides beds and meals for soldiers close to Railway Stations?
Who mended the soldiers' clothes over there?
Who entertained hundreds of thousands of soldiers and sailors daily at the Huts?
Who helped to keep the soldiers' homes here intact?
Who keeps in touch with the Homecoming soldier?
Who provides the Emergency Homes and the Maternity Homes?
Who has cared for thousands of war widows?
THE SALVATION ARMY
Shall their work stop for lack of funds?

SALVATION ARMY MILLION DOLLAR FUND COMMITTEE

II

INCORPORATED 1855

THE BANK OF TORONTO

Head Office: TORONTO, CANADA

Paid-Up Capital, $5,000,000. Reserve Funds, $6,625,623.

DIRECTORS:
W. G. GOODERHAM, *President* J. HENDERSON, *Vice President*
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, J. L. Englehart,
Brig.-Gen. F. S. Meighen, Wm. I. Gear, Paul J. Myler, A. H. Campbell
THOS. F. HOW, *General Manager* JOHN R. LAMB, *Asst. Gen. Manager*
D. C. GRANT, *Chief Inspector*

Business men are offered in this Bank the satisfactory banking service provided by our complete facilities and extensive connections.

Bankers:
NEW YORK—National Bank of Commerce. CHICAGO—First National Bank.
LONDON, ENG.—London Joint City and Midland Bank, Limited.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

FINANCIAL ASSISTANCE

to Estates being administered by it.

CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
PAID-UP CAPITAL AND RESERVE 860,225.00

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

HEAD OFFICE: WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA

Mercantile Trust Company of Canada
LIMITED
Hamilton, - - - Canada

Acts as Executor, Administrator and Trustee. Administers Real Estate.
We have special facilities for handling property in the Niagara Peninsula.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

Before Investing

You should see that your judgment regarding the security is backed by facts.
Not a dollar has ever been lost by an investor in Standard Reliance Mortgage Corporation Debentures.

Mortgage Corporation Debentures

The Debentures of the Standard Reliance Mortgage Corporation yield 5½% interest payable half-yearly One thousand dollars invested in Standard Reliance Mortgage Debentures at 5½% (compounded) for 5 years amounts to $1311.65. A gain of $311.65 or over 31%.

Invest your surplus funds in Mortgage Debentures.
No worry—No trouble—Absolute safety.

An interesting booklet about "PROFITS FROM SAVINGS which gives some very valuable financial advice, will be sent free on request. Write for it to-day.

Paid up Capital and Surplus Funds - - $2,362,378.63

STANDARD RELIANCE MORTGAGE CORPORATION
HEAD OFFICE—TORONTO
Branch Offices:
AYR BROCKVILLE CHATHAM
ELMIRA NEW HAMBURG WOODSTOCK

LLOYDS BANK LIMITED.

Head Office: 71, LOMBARD ST., LONDON, E.C. 3.

CAPITAL SUBSCRIBED £31,304,200
CAPITAL PAID UP - 5,008,672
RESERVE FUND - 4,000,000
DEPOSITS, &c. (Dec., 1917) 174,697,945
ADVANCES, &c. do. 61,466,709

THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.
London Agency of the IMPERIAL BANK OF CANADA.
The Agency of Foreign & Colonial Banks is undertaken.
French Auxiliary:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

GEO. O. MERSON & COMPANY
CHARTERED ACCOUNTANTS
FIDUCIARY AND FINANCIAL ACCOUNTING.
LUMSDEN BUILDING
TORONTO

MONEY, BANKING AND EXCHANGE

BANK CLEARINGS ARE 16 P.C. AHEAD OF LAST YEAR

In the East the Gain is 18.7 Per Cent., and in West 11.8 Per Cent.

FIVE CITIES ARE LOWER

Montreal Shows Gain of 24.4% and Toronto 12%—Victoria Shows Largest Percentage Gain

For the week ending Thursday last bank clearing returns from twenty-two cities show a gain over the figures for the corresponding period in 1918 of $37,115,825, the total for the week being $260,229,878, against $223,124,053 last year. The total in the East is $187,317,311, a gain of 18.7 per cent., while in the West the total is $72,922,567, a gain of 11.8 per cent. Five cities show lower returns. Montreal with clearings at $100,326,850 shows a gain of 24.4 per cent. and Toronto with a total of $64,078,478 shows an increase of 12 per cent. Kitchener shows the largest percentage gain in the East, while in the West Victoria reports a gain of 63.4 per cent. Winnipeg with a total of $40,653,052 made a gain of 5.5 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with same month last year)

Eastern Cities	Jan. 16, 1919		Change	%
Montreal .. ..$	100,326,850	+	$19,720,195	24.4
Toronto	64,078,478	+	6,881,103	12.0
Ottawa	6,618,408	+	990,856	17.6
Hamilton	4,711,400	+	42,276	.9
Halifax	4,391,255	+	820,431	22.9
London	2,553,194	+	259,781	11.3
St. John	2,562,611	+	542,804	27.0
Brantford	807,612	+	28,386	3.6
Sherbrooke ..	665,090	—	60,649	8.3
Kitchener	602,413	+	161,899	36.7
Total, East ..$	187,317,311	+	$29,387,082	18.7
Windsor	1,197,934			

Western Cities	Jan. 16, 1919		Change	%
Winnipeg ....$	40,653,052	+	$ 2,136,392	5.5
Vancouver	10,320,048	+	2,053,349	24.8
Calgary	6,386,500	—	33,645	.5
Edmonton	3,745,185	+	805,824	27.5
Victoria	2,718,792	+	1,053,089	63.4
Regina	3,366,314	+	642,443	23.6
Saskatoon	1,798,329	+	326,992	22.2
Moose Jaw ...	1,751,654	+	726,844	71.2
Ft. William .	659,036	—	10,095	1.5
Lethbridge ..	642,483	—	6,000	.9
N. Westminster	496,423	+	159,161	48.2
Medicine Hat .	384,701	—	125,611	24.6
Total, West ..$	72,922,567	+	$ 7,728,743	11.8
Grand Total .$	260,239,878	+	$37,115,825	16.6

EXCHANGE

The market for New York funds this week has been narrow. The buying power has been slackening, while at the same time offerings have been fewer. In consequence, the market has been subject to more or less fluctuation and can be swayed readily in either direction.

January 10.—Funds opened at 2 1-16, held steady and closed at 2 1-16 to the buyer.

January 11.—Sales took place at 2 1-32 to the seller, with a close at 2 1-32 to the buyer.

January 13.—Market opened at 2 1-32 nominal; funds sold at 2 to the seller and closed at 2 to the buyer.

January 14.—Offered at 2 to the buyer; sold at 1 31-32 to the seller and closed at 2 to the buyer.

January 15—2 to the buyer at the opening; sold at 2 to the seller and closed hard at 2 1-32 bid.

January 16.—2 1-32 bid at opening; sold 2 1-16 to the buyer and closed at 2 1-32 to the seller.

January 17.—2 1-32 bid and asked.

Demand sterling has held throughout at 4.75¾, advancing yesterday to 4.75 13-16. Cables have fluctuated between 4.7655 and 4.76 9-16.

Franc cheques opened at 5.45½, weakened to 5.46 and closed stronger at 5.45⅝. Cables opened the week at 5.44⅞, weakened to 5.45½, and closed at 5.45⅛.

HOME

The Home Bank of Canada has opened a branch office at Coboconk, Ont., also a branch office at Arnprior, Ont.

MERCHANTS

The Merchants Bank of Canada has opened a branch at Allenford, Ont., under the charge of B. Garvie, manager of the branch at Tara, who will for the present have control of both branches.

COMMERCE

J. P. Rupert, whose death occurred recently at Toronto, had for over twenty-five years been in charge of the safety deposit vaults of the main Bank of Commerce on King street, when he gave up his work four years ago.

TORONTO

It is announced that the Bank of Toronto will open a branch in the North Ward at Kitchener, with Capt. Frank Rooney, formerly accountant with the bank at Waterloo, in charge.

ROYAL

G. Raymond Martin, who for a number of years was accountant at the Guelph branch of the Royal Bank, has been appointed manager of the branch at Rockwood, and will be succeeded at Guelph by E. A. Dreak, formerly of Port Hope, and who has been assistant to Mr. Martin for some time.

W. White, who has been in charge of the branch at Rockwood for several years has been transferred to the Toronto branch.

E. D. Davis, of the Charlottetown branch of the Royal Bank, has been appointed manager of the branch at Mount Stewart which was recently opened, while L. S. Blanchard has also been transferred to Mount Stewart as teller.

IMPERIAL

The Imperial Bank will shortly open a branch at the corner of East Queen street and Carlaw avenue, Toronto, in temporary premises, while another branch, it is stated, will shortly be opened in the Danforth avenue district.

MONTREAL

Archibald Macnider, whose death occurred recently in Edinburgh, had been with the Bank of Montreal since 1851. Mr. Macnider was 85 years of age, and had been steadily connected with the bank throughout a long and active career. When he retired in 1915 from the post of chief inspector and superintendent of branches, a post which he had filled for 25 years, he went to London to live and was there named a member of the Bank of Montreal London Advisory Committee, continuing on the committee until his death.

BANK OF ENGLAND

London, Jan. 16—The weekly statement of the Bank of England shows the following changes:—

Total reserve, increased	£466,000
Circulation, decreased	442,000
Bullion, increased............	23,669
Other securities, decreased	6,606,000
Public deposits, increased	5,000
Other deposits, decreased	15,390,000
Notes reserve, increased	394,000
Gov. securities, decreased	9,211,000

The proportion of the bank's reserve to liability this week is 19.14 per cent.; last week it was 17.12 per cent. Rate of discount 5 per cent.

CLEARING HOUSE

At the annual meeting of the Toronto Clearing House held this week, A. B. Patterson was appointed chairman for the ensuing year, with G. G. Adam as vice-chairman. These two, with the following, will compose the Management Committee: D. B. Cameron, J. S. Skeaff, W. K. Pearce, G. G. Le Mesurier and D. C. Rea.

BANK STOCKS STILL IN THE LIMELIGHT

Half a Dozen Score Advances of 5 Points or Better in Past Week

The bank stocks have passed another very active week on the Canadian stock exchanges, and some further substantial gains have been recorded. With only two exceptions the changes since last report indicate higher prices, and in half a dozen stocks, including Hamilton, Dominion, Hochelaga, Merchants, Standard and Toronto, the advances were five points or better with the big gain going to Hamilton, which was nine points up on the movement which came with the announcement of an increase of $1,000,000 in the capital stock.

Investors are evidently recognizing that the banks have shared in the business prosperity of the latter war period, and with peace now at hand are in a position to realize their profits. Following are changes on the week's business:

	Last Jan. 9	Sales Jan. 16	Chge
Commerce	214	214	...
Dominion	210	216	+ 6
Hamilton	200	209	+ 9
Hochelaga	*143	148	+ 5
Imperial	203	203	...
Merchants	188½	190	+ 6½
Molsons	179¼	*179¼	...
Montreal	215¾	216	+ ¼
Nova Scotia	255	256	+ 1
Royal	214	213½	— ½
Standard	210	215	+ 5
Toronto	193½	200¼	+ 6¾
Union	170	166½	— 3½

*No sales this week.

The new Bank of Hamilton issue will be offered to stockholders at 150, in the proportion of one new share to each three held, although, as the circular points out, under the provisions of the Bank Act the bank would have the right to charge 210, based on the accumulated reserve and its relation to the capital. The last issue of stock was made at 100 premium. The bank pays 12 per cent. dividends.

PACKING PROFITS

Extravagant Claims of Promoters of New Plants

The attention of the investing public is being directed by Armour & Company, Chicago, to the extravagant claims of prospective packing companies regarding profits in the industry made by existing concerns. A statement says—

The [illegible] claim of these promoters is that [illegible]sand dollars invested in Armour [illegible]ompany five years ago would repre[illegible] present worth of $32,000. The f[illegible] that the present worth of the thousand dollar investment in question would be $1,661.26, or just $30,338.74 less than the promoter would have the investor believe.

We are aware and doubtless you are too, that it is just such missstatements as these which result in demands for co-operative packing plants, and when they fail to produce as promised, bitterness and a certainty as to crookedness somewhere, follow.

ANOTHER BRITISH BANK AMALGAMATION

Northern Provincial and Bradford District Banks Are Negotiating

LONDON.—In connection with the arrangements proposed for the amalgamation of the Northern Provincial and Union Bank of England and the Bradford District Bank, the "Economist" gives particulars.

The proposed terms are that the shareholders of the Bradford District Bank are to receive two shares of £60 each (£12 paid) of the National Provincial for every five Bradford District shares held. The adjustment of fractions will be effected by cash payment on the basis of £14 per share in the Bradford District Bank. The National Provincial has for some years past been paying dividends at the rate of 16 per cent. per annum, and the Bradford District at the rate of 13¾ per cent. Under the amalgamation agreement shareholders in the latter will receive in respect of the year now ending a dividend at the rate of 16 per cent. (less income-tax) on the amount paid up on the shares of the National Provincial which they are to receive under the scheme. "Credit will be taken," says the Bradford District circular, "for the interim dividend paid by this bank in July last. This will result in a sum of £42,398 (less income tax) being available for distribution amongst the shareholders of this bank for the current half-year, and will bring the total dividend for the year 1918 to 19 1-5 per cent. on a paid-up capital of the Bradford District Bank, or slightly over 15s. 4d. (less tax) per Bradford District Bank share, against a dividend at the rate of 13¾% or 11s. per share (less tax) paid in recent years."

COINING MONEY

Indian Mints Make Silver Coins in Immense Quantities

Superlative adjectives are not infrequently used in unwarranted fashion, declare Samuel Montagu & Sons. This can hardly be the case in describing the magnitude of the operations by which the Indian mints have been seeking to cope with an exceptional demand for metallic currency.

The combined value of the two Indian mints' output in August last was Rs. 55,279,290, made up as follows:

Whole rupees (silver)	51,500,024
Half rupees (silver)	993,666
Quarter rupees (silver)	1,132,488
Two-anna (nickel)	957,112
One-anna (nickel)	619,000
Single pice (bronze)	47,900
Pie pieces (bronze)	29,100

As the average speed of coining is estimated at 2,600 coins a minute in Calcutta, and at 1,600 in Bombay, the velocity of the output per second equals 70 coins, worth an average value of 46 rupees. If the pieces coined during two months alone at this rate were placed edge to edge, the line would stretch across a space equal to the extreme length of India — from the Hindu Kush to Cape Comorin.

UNLISTED SECURITIES

STOCKS—	Bid	Ask
Abitibi Power, com	47½	53
Abitibi Power, 7%, pref.	88	94
Alberta Pac. Grain, com	115	125
Alberta Pac. Grain, pref.	85	95
Atlantic Sugar, com.	20	23
Atlantic Sugar, pref.	64	70
Amer. Salesbook, pref.	..	90
Belding Paul, com.	21½	25
Belding Paul, pref.	79	85
British-Amer. Ass. Co.	9	..
Canada Machinery, com.	15½	19
Canadian Machinery, pref. ..	46	53
Carriage Factory, pref.	38	45
Can. Westinghouse	102	104
Canadian Oil, com.	43	46
Canadian Oil, pref.	96	..
Can. Marconi	3	4
Carter Crume, pref.	50	60
Continental Life	15	25
Guelph & Ont. Inv.	..	90
Dom. Manufacturers, pref. ...	42	55
Dominion Power, com.	40	47
Eastern Car, pref.	48	55
Great West Life	220	230
Home Bank	72	80
Imperial Oil	340	..
Illinois Traction, pref.	71	75
International Milling, pref. ..	85	86
Murray-Kay, pref.	24	32
A. Macdnaold, pref.	95	97
National Life	40	..
Wm. Neilson, com	54	..
Sterling Coal, com.	14	18
Sterling Bank	90	96
Standard Reliance	38½	43
Tooke Bros., pref.	67	69
Trust and Guarantee	72	..
Volcanic Oil and Gas	85	90
BONDS.		
P. Burns, 1924, 6s.	99	105
P. Burns, 1931, 6s.	96	99
Canadian Cotton, 5s.	79	83
Can. Steamship Bds., 5s.	82	85
Carriage Factories, 6s.	84	89
Dominion Canners, 6s.	91	94
Elec. Development, 5s.	85	88
Eastern Car, 5s.	89	85
Morrow Screw, 6s.	87	90
Nova Scotia Steel, 6s.	86	89
Ontario Pulp, 6s	86	89
Porto Rico, 5s.	74	80
Riordon Pulp, 6s.	93	95
Spanish River Pulp, 6s.	85	87
Sterling Coal, 6s.	71	76
Sao Paulo, 5s	80	85
Stone Limited, 6s.	90	95
Toronto Power, 5s.	85	87
Tor. & York Radial, 5s	96	97½
Toronto Paper Co., 6s.	86	92

Robert Cassels G. H. Brown

Cassels, Browne & Co.
Members Toronto Stock Exchange

318 Dominion Bank Building
TORONTO

Direct Private Wire to New York, Chicago and Washington

Canada Permanent Mortgage Corporation

Toronto Street :: TORONTO
Established 1855

Capital (paid-up) ....$ 6,000,000.00
Reserve Fund (earned) .. 5,250,000.00
Unappropriated Profits .. 197,977.41
Capital and Surplus $11,447,977.41
Investments 31,557,661.82

A TRUSTEE INVESTMENT
The Debentures issued by this Corporation are a high-class security in which Executors and Trustees are authorized by law to invest Trust Funds. Trustees may have a Debenture for the exact amount of the Trust when desired.
Enquire about them.

ACCEPTED BY THE CANADIAN GOVERNMENT
Canada Permanent Debentures are accepted by the Canadian Government as a portion of the deposits required to be made by Insurance Companies transacting business in Canada. British, Canadian and United States Fire and Life Insurance Companies, Benevolent and Fraternal Associations, etc., have for many years been investors in the Debentures of this Corporation. At present these institutions are owners of Canada Permanent Debentures to an amount exceeding ONE AND A HALF MILLION DOLLARS.

VICTORY 5½% BONDS

PRICES:
1923—100½ and Interest
1933—101 and Interest

We advise the purchase of these Bonds. They
Are Absolutely secure.
Return good income.
Are Saleable.
Are Tax Exempt.

Your orders will have our prompt and courteous attention.

JOHN STARK & CO.
ESTABLISHED 1870 MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING - - - TORONTO

There May Be Unexpected Value In Your Unlisted Securities

Let us place a valuation on your holdings and advise you as to their future possibilities.

We are specialists in unlisteds and our service and monthly letters are yours for the asking.

T. A. Richardson and Company
INVESTMENT BANKERS
Royal Bank Bldg., Toronto

NEWS AND VIEWS FOR MANAGERS

KEEPING AN EYE ON THE RETAILER AND HIS AFFAIRS

A Period of Uncertainty as to Prices and Credits

A PRESIDENT'S VIEWS

Peleg Howland, Head of Imperial Bank, Urges Merchants to Keep in Touch With Their Bankers

The big question in the mind of the retail merchants to-day is PRICES—and that is not spelling it half big enough. On the one hand is the argument that if earning power of people is reduced then demand must rule supply and prices must be readjusted to lower levels. On the other hand is the counter contention that if supplies are short then supply will dominate and maintain prices. As between the two it is pretty much a case of taking your choice. From what I have been able to learn of the situation and from those who are studying the question in relation to all stages of production and consumption I am inclined to the opinion that there will be a readjustment—but there is no indication that there will be anything like a collapse in the markets or that the merchant who handles his stock wisely in relation to turnover need suffer.

If, then, this question of readjustment is large in the mind of the retailer it follows logically that it should be large in the mind of his banker. If it is necessary in steering the business craft that sails be reasonably furled and there should be a keen eye at the lookout then the banker should be prepared to establish himself in the role of pilot—without formal appointment if necessary — until the rough waters are safely crossed. The manager should establish close, candid relations with his merchant customers. This is an idea which finds endorsation in the following statement from Peleg Howland, president of the Imperial Bank of Canada and head of the firm of H. S. Howland, Sons & Company, wholesale hardware:

"If I may venture on a word of advice to merchants. I would urge upon them during this period of more or less uncertainty to keep closely in touch with their bankers and consult them frequently on conditions and on their business policy. The advice of men trained to caution at this time cannot but be helpful to everyone engaged in business."

Judicious Credit

Not only should the banker take an interest in the stocks of his customers, which represent security for advances and the value of which relate closely to the changing market prices, but—and a manager told me the other day that he considered this even more important—he should endeavor to advise the merchant with regard to his credit accounts. It is not hard to figure how easily the profits on a large volume of business may be lost through one "dead beat." On this point Mr. Howland favors credit wisely granted. Doubtless, he says, no great hardship would be imposed on the community at present by adoption of the cash system of retailing goods, whether it is the part of wisdom to generally adopt the system with the hope of maintaining it permanently is another matter. Continuing this experienced banker and merchant says:

"I am a great believer in the advantages to be derived from credit judiciously extended, in fact our whole economic system is based on credit, and probably its curtailment in one direction would lead to its expansion in another.

"Credit should of course be limited by the retailer to what his means permit. He should not give so much that his own credit would be affected thereby. There should be in every case a fixed time for the payment of goods sold on credit, and the customer should be led to understand that the terms of sale must be carried out and payment made on time. Nor should credit be given to those of whom the merchant has not a reasonable idea from what source they will be able to raise the funds for repayment.

"If credit is granted by the retail merchant on the conditions I have named, I am of the opinion it must help to the expansion of his business and thus to his profit, for the production of his neighborhood must be assisted thereby. For instance by the use of tools for the cultivation of the land the comfort and welfare of the people increased, and thus their usefulness was encouraged by the household goods sold in that way. It is practically an axiom that obligations to be met tend to exertion and increased industry, all leading to prosperity and growing wants to be supplied through the merchant.

"In considering what I have said, it must be borne in mind that some men are so constituted that they cannot give credit successfully. They either credit too freely or are poor collectors. In this case, cash I would say is the only system that would prevent failure, and if that system cannot, because of local conditions be adopted, then a change of location or retirement from business are the only two alternatives. I may say, therefore, that I would be very sorry to see a general adoption of the cash system by the retail merchants of this country, as I feel it would result in an economic loss."

Manufacturing Problems

The manufacturing account also presents its problems to the banker during this period of uncertainty. Here again the question of prices looms large in relation to both the markets for the purchase of raw materials and for the sale of finished products, while labor and other costs of production must be very carefully considered. To reduce the "overhead" charges in manufacturing to the minimum there is much being said for standardization. In this there are no doubt many advantages in eliminating certain styles and models which were marketed to suit individual taste rather than to fill actual requirements as to service. The opinion of Mr. Howland on this question of standardization is of interest:

"In some lines manufacturers seem to have run wild, and there has been little excuse for the turning out of so many sizes, styles and finishes. A reasonable curtailment of these without shortening up the supply of what is actually needed by the community must lead to some saving in the cost of production and of distribution, and one would naturally think eventually to increased consumption and in consequence an increased volume of business. Of course the extent to which standardization will be adhered to will be largely regulated by competition and the desire of manufacturers to cater to the ideas or whims of those they are endeavoring to please. Pressure of this kind will probably be resisted for only a limited period.

Altogether this is a time when the bank manager must be prepared not only to watch accounts closely, but also to exercise judgment in enforcing the bank's policy. On some of the most important points to be considered Mr. Howland's views are most timely and valuable.—J.W.T.

BOOKKEEPING FOR THE HOUSEKEEPER

An Interesting Experiment is Being Carried Out By the Home Bank

In these days when the cost of living is the great domestic problem, interest attaches to the thrift account book being distributed by the Home Bank of Canada. According to announcement: "The purpose is to provide a simple method of bookkeeping that will invite attention to the details of home economics. It was considered that this could be best accomplished by suggesting a tabulation of the different items of household expenditure in different columns, so that the amount and proportion of outlay against income might be made apparent at any time at a glance. To this end it has been the aim to devise a system of general utility, that will still be found adaptable to the special needs of both house owners and tenants and to home establishments of varying pretensions."

The introductory pages outline a household budget, followed by schedules covering taxes, insurance, mortgages, bonds, etc., and the main portion is devoted to a daily record of expenditures classified by letters. An effort is made to arrange every item under a class heading so that receipts for similar departments of expense may be sorted together instead of coming under the name of the firm to whom the money has been paid. There are some blanks to meet the needs of housekeepers who keep their accounts so closely that expenses for household supplies are divided or special needs are introduced.

There are four tabulated pages for each month with a line for each day, space being reserved for items representing all letters of the alphabet. It is hardly expected that the accounts will be kept religiously from day to day. The aim is to present some form of systematized bookkeeping that will assist housekepers to arrive at an average of expense in all departments, and if the book is kept regularly for two or three months, to establish a normal average of expense, the expenditures will become regulated to a large extent by habit and tradesmen's invoices may be kept until the end of the month and then entered up in bulk. A summary for the year is provided at the end.

Local managers of the bank are being instructed that the book is primarily designed for Home Bank customers and is not to be circulated to draw savings from other banks. If depositors of other banks make application for a copy of the book, however, their request is to be granted and the manager is privileged to suggest that if the keeping of accounts by the method outlined results in any extra saving in the household, that amount might properly be applied to separate savings in the Home Bank. It is figured that where an additional saving of $5 a year results the book will have paid for itself as the expense has been largely met from an appropriation formerly made for calendars.

TO MAKE STATES BANKING SYSTEM LIKE CANADA'S

Branch Idea Proposed in Amendment at Washington

A DEFENSIVE MEASURE

If Congress Alters Reserve Act it Will be to Enable Federal Banks to Meet Competition of State Institutions

By Special Representative

NEW YORK.—Branch banking in the United States, patterned after the Canadian system, may receive real aid from Congress in the immediate future if an amendment to the Reserve Act is adopted which the Federal Reserve Board is understood to have recommended.

Not branch banking where all of the branches are located abroad with only the main office in this country; Congress has already done what it can to foster this kind of branch banking and the aggressive development along these lines at present under way is evidence of the American bankers' wish to further the enactments of Congress. It is domestic branch banking, much as Canada knows the system, that is now upon the Congressional mind.

The Federal Reserve Board's proposal brings Congress face to face with a puzzling question, for American public opinion is by no means a unit in favor of branch banking of the domestic type. However, the proposition before Congress is not the unpalatable scheme for straight branch banking which has so often set the country bankers of the United States on their mettle. If the suggested amendment prevails comparatively few branches are likely to be created until broader measures are adopted.

Only Nationals Affected

Only National banks, with a capital and surplus of $1,000,000, acquire the power for branches, under the amendment, and, moreover, the bank must be located in a city of 100,000 population, so that all but the largest city banks are barred from having branches. No bank may have more than 10 branches and all must be located in the same city, thus dissolving in thin air any suspicions that in this new law lurk the possibilities of a banking trust such as country folk dread. Finally, in any state that forbids its trust companies and state banks to have branches, national banks are also placed under the same restrictions. Thus in the ultimate the power is given to the state to determine whether banking there shall be under the new order.

"If branch banking is to acquire a foothold in America the blame for it can hardly rest upon Congress, which never has favored branch banking hitherto, and agrees even now in this amendment to co-operate with any state which wishes to bar branch banking," is the statement of the Washington correspondent of the "U. S. Investor." Continuing, "The suggested amendment is a defensive measure. If the big trust companies and state banks of New York and Boston and Detroit are to tap several parts of same city with branches gathering deposits which otherwise would go to several independent banks, it is a matter of fair play and nothing more that the national banks of the same cities be permitted to establish branches also."

Branches Unpopular Idea

In the past the idea of branch banking has not been agreeable to Congress. Probably the determined opposition is only a reflection of the mind of the American people. To the average American, unschooled in the Canadian system, a bank with local officers and directors seem preferable to one controlled by some distant head office. Even within the banking fraternity the advocates of branch banking have been in the minority as evidenced at conventions of the American Bankers' Association.

The numerous surrenders lately of national bank charters in New York State is having an influence upon Congress. The reason for these changes is not antagonism to the Federal Reserve system, because upon surrendering their national charters and becoming trust companies the new companies become members of the Federal Reserve Bank of New York. It is rather that the privileges given by New York State to its trust companies are believed to outweigh the advantages of remaining under national charter. Superintendent Skinner of the New York State Banking Department has now recommended that state banks be given the right to have branches in certain up-state cities; trust companies already possess this privilege. It is rather an anomalous situation to forbid the national banks of New York to have branches when rival trust companies and state banks already have branches.

Recently the "Wall Street Journal" discussed the subject of branch banks from the Canadian bankers' viewpoint, asserting that "Canadian bankers lean to the view that the Federal Reserve system falls short of the benefits of their own branch bank organization."

Canadian bankers were quoted by the "Wall Street Journal" as welcoming, as a great reform, the new U. S. method of employing the basic reserves of one centre for the direct benefit of another in the form of asset currency and credit. An informative story of the working of the Canadian system concluded with this striking comment: "No matter what the banking theory, such uniform results in every variety of locality and enterprise would not have been possible without the classified condensed information brought into one crucible from the branch office reports. For this reason Canadians feel that our present system lacks the informing instrumentalities of their own. Either, they say, the reserve banks must themselves trade with the public or we must make sweeping reduction in the manner of separate banks and substitute a much greater number of branches to utilize fully our new system as it should be employed."

PROPOSAL TO TIE UP BANK DEPOSITS

English Bankers Would Avoid Further Inflation During Reconstruction

A rather novel recommendation has been put forward in England to aid the reconstruction of trade and industry after the war. This is to provide for the lacking up of certain bank deposits at a fixed rate of interest, for periods of from one to five years without the right of withdrawal. In this way further inflation would be avoided and the banks would be able to grant loans freely for periods longer than usual.

It is recognized that the great expansion that has taken place in England and elsewhere during the war, reflected in greatly increased bank deposits, is largely responsible for the general rise in prices, inasmuch as the newly created credit has caused an increase in the purchasing power. English bankers realize that one of the first essentials for sound reconstruction is to reduce as much as possible the present price level and to this end they deprecate any fresh issues of credit that will only result in further expanding deposits.

Accordingly, it is sought to make the present line of credits suffice as much as possible for the reconstruction demand. How to accomplish this under the existing standards of sound banking, which call for the maintenance of a certain proportion of depositors' funds in readily accessible and liquid form, has been the great problem before English bankers. A way is now suggested which will lend to bank deposits greater credit potentialities that have existed heretofore, without weakening the banking position.

In England, it is customary to designate deposit liabilities as "deposits" (meaning the time deposits left with the banks for certain stipulated periods, at interest), and "current accounts" (meaning active accounts which can be drawn against at any time, but which do not bear interest). Here, deposits are designated as either time deposits or demand deposits. The English bankers now propose to extend the scope and application of the time deposits expedient to meet the present problem.

A "Committee of Financial Facilities" was recently appointed by the British Chancellor of the Exchequer and the Minister of Reconstruction to look into this matter.

U.S. BANK DEPOSITS

Remarkable Expansion Under War Conditions

NEW YORK.—One of the most remarkable results of the war has been the tremendous expansion of bank credit the world over, which has probably been the main factor in raising general prices to their present high level. Naturally, one of the ways in which this increase has been reflected is the enormous growth of deposits, particularly in those countries which customarily use the check and deposit system, instead of currency, as medium of payment. Although the United States did not join in the struggle until it was more than half over, nevertheless her banking institutions began to show a rapid rate of increase in deposits from the very outbreak of hostilities, and the tendency was accentuated when we finally became a belligerent. As compared with their 1914 figures, many of the banking institutions of this country have doubled their deposits, and in a number of cases have even tripled them.

Banque D'Hochelaga

Forty-fourth Annual Report

Dear Sirs,—

The Directors beg to present their report on the operations of the Bank for the year ending November 30th, 1918.

PROFIT AND LOSS ACCOUNT

30th November, 1918

CREDIT

Balance at credit of Profit and Loss Account, 30th November, 1917	$ 45,021.47	
Net profits for the year ending 30th November, 1918, after deducting expenses of management, interest accrued on deposits, rebate of interest on discount, and making full provision for all bad and doubtful debts	595,187.94	
		$640,209.41

DEBIT

Dividend No. 108 paid 1st March, 1918	$90,000.00		
" 109 paid 1st June, 1918	90,000.00		
" 110 paid 1st September, 1918	90,000.00		
" 111 payable 1st Dec., 1918	90,000.00		
		$360,000.00	
Amount carried to Officers' Pension Fund		20,000.00	
War Tax on Bank note circulation to 30th Nov., 1918		40,000.00	
Written off bank premises		50,000.00	
Subscriptions to Charitable and Patriotic Funds		7,250.00	
Amount carried to "Reserve Fund of the Bank"		100,000.00	
Balance at credit of Profit and Loss Account, 30th November, 1918		62,959.41	
			$640,209.41

General Manager—BEAUDRY LEMAN.
President—J. A. VAILLANCOURT.

BALANCE SHEET

30th November, 1918

LIABILITIES

Capital Stock paid in	$4,000,000.00	
Reserve Fund	3,800,000.00	
Unclaimed dividends	2,182.09	
Dividend payable 1st December, 1918	90,000.00	
Balance of Profit and Loss Account carried forward	62,959.41	
		$7,955,141.50
Notes of the Bank in circulation	$7,258,049.00	
Balance due to Canadian Government	1,750,000.00	
Deposits not bearing interest	9,888,173.78	
Deposits bearing interest (including interest accrued to date of statement)	29,700,635.41	
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	344,141.65	
Acceptances under Letters of Credit	89,854.63	
		49,030,854.47
		$56,985,995.97

ASSETS

Gold and other current coin	$ 373,879.35	
Dominion Notes	4,727,003.75	
		$5,100,883.10
Deposit in the Central Gold Reserves		3,800,000.00
Notes of other Banks		601,117.15
Cheques on other Banks		1,879,088.04
Balances due by other Banks in Canada		112,601.96
Balances due by Banks and Banking Correspondents elsewhere than in Canada		1,322,381.67
Deposits with the Minister of Finance for the purpose of the Circulation Fund		200,000.00
		$12,516,071.92
Dominion and Provincial Government Securities not exceeding market value	$5,898,041.00	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	7,132,210.05	
Railway and other Bonds, Debentures and Stocks (not exceeding market value)	241,867.30	
		13,272,118.35
Call and short (not exceeding thirty days) loans in Canada on Bonds, Debentures and Stocks		$2,397,372.44
		$28,185,562.71
Loans to cities, towns, municipalities, parish and school districts		$1,780,105.99
Other current loans and discounts in Canada (less rebate of interest)		23,991,398.64
Overdue debts (estimated loss provided for)		74,911.55
Liabilities of customers under Letters of Credit as per contra		89,854.63
Real Estate other than Bank premises		506,031.30
Mortgages on real estate sold by the Bank		174,769.87
Bank premises at cost price (less amounts written off)		2,112,390.21
Other assets not included in the foregoing		70,971.07
		$56,985,995.97

General Manager—BEAUDRY LEMAN.
President—J. A. VAILLANCOURT.

AUDITORS' CERTIFICATE

We beg to report to the Shareholders of the Banque d'Hochelaga that, in accordance with Section "56" of the Bank Act, we have checked the cash and verified the securities of the Bank at the Chief Office as at November 30th, 1918, as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have also examined the accounts and verified the cash and securities at some of the principal branches during the year.

We have examined the books and accounts at the Head Office and have compared the above Balance Sheet with these books, and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information, and the explanations given us, and as shown by the books of the Bank.

We have obtained all the information and explanations required by us and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

Montreal, 16th December, 1918.

S. ROGER MITCHELL, C.A.,
of Marwick, Mitchell, Peat & Company.
GEO. GONTHIER, L.I.A.,
of Gonthier & Midgley,
Auditors.

To New Readers

Read The Financial Post Regularly

If you have enjoyed reading this copy of THE FINANCIAL POST, which is outstandingly the Canadian Newspaper for business men and investors, send for a subscription, and note the business benefit you secure through POST Service. Use this form in ordering.

THE FINANCIAL POST OF CANADA,
143-153 University Avenue, Toronto.

..............................1919

Please enter me as a regular subscriber, commencing at once. If I am satisfied with the paper I will remit $3.00 to pay for my subscription on receipt of bill, or you may draw on me for this.

Name..................................
Address..................................

F. P.

THE FINANCIAL POST

President	JOHN BAYNE MACLEAN
Vice-President	H. T. HUNTER
Manager	GORDON RUTLEDGE
Editor	J. W. TYSON

A weekly newpaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

ADVERTISING RATES:

Single insertion	$ 2.10 per inch.
Yearly insertion	58.25 per inch.
Financial Reports, Debenture Notices, etc., 15 cents per agate line.	

SUBSCRIPTION PRICE:

Canada and Mexico	$8.00 per annum.
United States	3.50 per annum.
Great Britain, Ireland and Colonies having minimum postal rates	12s. 6d.
France and other Countries	16s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY
THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.
MONTREAL, Southam Building, 128 Bleury St., M. Foster; WINNIPEG, 1207 Union Trust Building, C. W. Byers; BOSTON, 733 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, R. B. Huestis; CHICAGO, Room 900, Lytton Bldg., 14 E. Jackson St., A. H. Byrne; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

TORONTO, JANUARY 18, 1919.

MEETING LABOR HALF WAY

THE sympathetic hearing given to Peter Wright at the meeting of manufacturers at Toronto this week and the interest with which his presentation of the case of the worker was followed is another indication of the willingness of industry generally to meet labor half way, and more. Further, Councillor Wright presented his arguments in a manner which formed a sharp contrast to the Bolsheviki methods which are being so generally followed by Socialistic agitators.

It is to be hoped that the counsels of such men will more generally prevail in the deliberations of the labor organizations when considering demands upon employers. Under the spirit of such men as Councillor Wright, a meeting ground for the discussion of aims and ideals in a conciliatory way could be reached when threats will only bring on trouble. Mr. Wright represents the reasoning and reasonable type of workingman, who by self-education has made himself a power in the land, and his appearance before the Toronto manufacturers and his fearless warning to them should have a beneficial effect.

U. S. GOVERNMENT OWNERSHIP

U. S. Postmaster-General Burleson wants Government control extended over the telegraphs and telephones. The present control would, under existing law, cease with the proclamation of peace.

The Postmaster-General supports his recommendation with an extended argument in favor of government ownership of these utilities, and says that such ownership may be acquired without the expenditure of any money by the government through use of the difference between what it costs the government to borrow money and the return upon the investment under private ownership. This difference, applied to the maintenance of any payment for the telegraph and telephone systems, would liquidate the indebtedness to the owners in eighteen years and nine months, according to Mr. Burleson.

Apropos of the whole proposition a recent canvass of manufacturers and others on trade conditions by the Merchants' Association of New York shows that a controlling factor in the present situation is the inability of shippers to get proper service from the railroads, express companies, and the Post Office, all of which are under the management of the government.

ACHIEVEMENTS VS. THEORIES

BROAD-MINDED, temperate and tactful were the words of President E. W. Beatty, of the Canadian Pacific Railway Company, in an address this week on the question of the nationalization of the railways of Canada, and if he will arrange for further discussion in detail of some of the more important points of difficulty that would arise under Government control, he would be performing a most helpful educational service to this country. Mr. Beatty deplores the fact that much of what is written in support of public ownership is entirely theoretical, coming from well-intentioned, but not sufficiently informed men, but they deal in a certain kind of general phrase which receives acceptance from "the man on the street," and this is not offset by information on the part of those in touch with railway operation that will be understood by the same public.

Following out this theory, Mr. Beatty did well to draw public attention to the actual record of the Canadian railways under private ownership during the testing time of the war, when, alone among the systems of the world—and most of the others were being operated under State control—the Canadian lines "maintained an absolutely uninterrupted highway from the Far West to the British and French ports without the semblance of a breakdown or without any undue congestion." All this was accomplished through "the resourcefulness, courage, loyalty, and efficiency of the officers and men, an efficiency which, he added, "I have never seen equalled in any Government institutions."

Taking up the broad question Mr. Beatty points to two common misconceptions that exist among the advocates of state ownership, one a misconception of the functions of the state, which are "to regulate and not manage industrial enterprise"; another that these enterprises could be acquired for something less than their worth just because they would pass under public control. Dealing with the claim in favor of control through the appointment of "outside directors," Mr. Beatty insists, and, rightly, that this must mean political interference, "and political interference is full of danger."

The whole address, which is reproduced at some length in this issue, is admirably clear, direct, logical and temperate, and one could wish that the speaker might much more frequently emulate the example of his friend and follow-speaker at the meeting, Prof. Stephen Leacock, whom he accused of making a good living through "speaking and writing."

THE IMPRACTICABLE WOODEN SHIP

MONTHS ago such armchair saviours of the nation as the editor of the Toronto *Telegram* were howling for ships—two ships a day. It did not make much difference what they were made of so long as there were two a day. The public could not understand the problems of shipbuilding, but it could appreciate those two ships a day and anything which will fool the people suits the *Telegram*.

At that time THE FINANCIAL POST discussed the problem in a business way. THE FINANCIAL POST advocated the establishment of a shipbuilding industry, but it saw and understood that it could not be done overnight. We discouraged the wooden ship idea except to meet temporary needs. We pointed out that instead of two ships a day if we produced a few of the right type in a year we would be fortunate. Rome was not built in a day—nor ships in a night.

THE FINANCIAL POST'S attitude with regard to the wooden ship was not popular in many quarters. We were strongly criticized. But about six months later the United States Shipping Board found the wooden vessel unsatisfactory and discarded it and now we find Australia committed to a wooden ship programme—with only two vessels delivered and about thirty on order—facing a dilemma. Australian experts are advising the construction of steel vessels. Our Trade Commissioner, D. H. Ross, Melbourne, summarizes the situation in a practical way in reporting to the Department of Trade and Commerce:

> A strong doubt is prevalent in Australian shipping and business circles as to the wisdom of the Government proceeding with its programme of building wooden ships.
>
> Of the 14 wooden motor vessels ordered by the Government in the United States, two have been delivered and are now in commission while a third is on its way to Australia. In addition the Government has entered into contracts for 18 vessels of a similar kind with Australian firms, but progress in these yards has not been very rapid. In one yard the plant has been completed for six vessels and concrete ways are ready for two of them. In other yards preparatory work is still proceeding.
>
> In view of the changed war conditions and the great efforts being made in other countries in the construction of steel ships, it is considered that before the Australian contracts for wooden vessels can be completed shipping will have become more normal, freights will have dropped and such vessels be practically useless as cargo carriers in comparison with steel ones of much greater tonnage and speed. If these views are correct a heavy loss would be made on the vessels and an additional war burden placed on the shoulders of the taxpayer.
>
> In the opinion of experts Australia should concentrate upon the construction of steel vessels as ,apart from the possibility of soon being able to obtain more plentiful supplies of material from other countries, the Australian steel works are steadily increasing their capacity.

The *Telegram* wanted one wooden vessel in Canada per day at once. After eighteen months Australia has two wooden ships delivered and faces heavy loss in relation to others which have been ordered.

EDITORIAL NOTES

A WRITER in the Winnipeg *Telegram* points out that the Grain Growers' Grain Company show by their statement for the year ending 31st August, 1917, that they made a profit of $607,899.18 on a paid-up capital of $1,357,382.46, which is over 44½ per cent. on the paid-up capital.

THAT business is benefiting from the open winter is indicated by the report that the United States Railroad Administration reports a congestion of export freight at North Atlantic, South Atlantic and Gulf ports. It was just such a condition as this, combined with bad weather, which prevented freight movements from interior terminals and caused chaos over a great portion of the continent two years ago.

ARMOUR & COMPANY are warning investors against the claims of packing company, promoters of extravagant profits in the industry. A company at Sioux City, Iowa, has advertised that $1,000 invested in the Armour concern five years ago would to-day represent a worth of $32,000, whereas, Armour officials produce figures to prove that the amount would only be $1,661.26. The juggling of Mr. O'Connor, with the figures of the Davies Company are recalled by this financial legerdemain.

THE *Grain Growers' Guide* says that S. R. Parsons, "has a beam in his eye when he looks at any question connected with the tariff," but, "his eyesight appears to be without a mote to mar its clearness when he looks at the question of public ownership." If the *Guide* could see without the mote on *any* question the beam which seems to be constantly present might not be so evident.

CARTER GLASS, the newly appointed Secretary of the U. S. Treasury, sent a message to the Bond Club in lieu of an address he was unable to deliver at recent dinner which read in part: "I hope that these great Liberty Loan campaigns, which have resulted in increasing the number of bondholders in the United States from approximately 300,000 to nearly 30,000,000, will have the permanent effect of making the American people intelligently discriminating in the purchase of securities of all kinds and that through this better understanding there can be mobilized more easily the necessary capital that will be needed to bring America commercially to a point of development consistent with her new place in the world."

IN reprinting THE FINANCIAL POST'S recommendation for a commission to establish a meeting ground for agriculture and industrial tariff opinions H. J. Pettypiece, in the Forest ***Free Press*, says:**

> There is a growing feeling throughout the country that the whole question of taxation by a tariff system should be taken out of politics, and administered by an independent commission. Heretofore our tariffs have been framed by the Manufacturers' Association, by which both the old line political parties have been controlled. Now the demands of the Western Provinces and of the United Farmers of Ontario are such that the party leaders are hardly prepared to face the situation. An unbiased and competent commission would frame a more equitable tariff policy than any of the political parties have done.

CANADA'S RAILWAYS AND STATE CONTROL

C.P.R. President Sets the Practical War Achievements Against the Mere Theories of Public Ownership Advocates

In a moderately worded address to railway men and others at a gathering of the Fifth Sunday Meeting Association at Montreal this week, the president of the Canadian Pacific Railway Company, E. W. Beatty, K.C., took up the question of the nationalization of railways in Canada from the viewpoint of the "Known and Unknown." Without any attempt at domatic assertions Mr. Beatty's address set forth an account of fact as compared with theory. Many had written and spoken on the subject who, while well-intentioned, were ill-informed, but the theorist, he held, had the advantage of dealing in general phrases, which while not understood completely had a certain significance to those who read or heard them. On the other hand many of the able technical articles, written by railroad men, were not understood, because they did not speak the language of the man on the street. Mr. Beatty urged that before properties worth $1,500.000,000 were fastened under the "clamping, restrictive, inefficient influence" of Government the country should be satisfied that results were going to justify the assumption of these enormous obligations. Perhaps the most impressive of the statements he made of results under private ownership was that Canada was the only country in the world that "was able to maintain without interruption from the beginning of the war an open highway across the continent," and that, in spite of very difficult winter conditions, "Canada hauled longer distances more freight proportionately than any other country in the world."

Mr. Beatty opened his address by pointing out that through the stress of the last four years it had been borne in upon the people that public discussion of public questions was an absolute necessity for the proper solution of them. He thought that there should be a larger representation of railway men in Parliament, such as Conductor Harrison, a member of Parliament, whom he had met on a recent trip West. Hon. Gideon Robertson was a shining example of one who, from a railway operator, had risen to the portfolio of labor in the Government of Canada.

Mr. Beatty's address was in part as follows:

"The aftermath of the war is filled with problems in comparison with which the actual conduct of the war itself may turn out to be a simple matter. The problems are new and complex, and those of you who are connected with railways will have a peculiar interest with the working out of those problems which bear directly on your own vocations. I understand a vast majority of the members of this Association are connected one way or another with transportation companies. If that is the case, it is peculiarly appropriate that I should mention to you some of the things that the transportation companies have done during the war, and some of the conditions which they will have to face in a very few months.

Where Canadian Railways Stood Alone

"Only one country—and I wish you would remember this because it is a matter of great pride—only one country was able to maintain without interruption from the beginning of the war an open highway across the continent, and that was the Dominion of Canada with its three transcontinental railways. In spite of the fact that our winter conditions made railway work extremely difficult Canada hauled longer distances more freight proportionately than any other country in the world. Canada was the first country to attempt to haul troops over long distance. Canada's railway difficulties— there were some of local character but easily and readily removed —were added to by the breakdown in other systems, especially to the south of us. They were added to by the shortage of shipping which took from the St. Lawrence and Great Lakes many ships which we had depended on to relieve the railways during certain periods of the year. Our exports rose by leaps and bounds from a million tons in 115, to over 5,000,000 tons in 1917. Canada lost her railway workers by thousands, but in spite of that for four years they have maintained an absolutely uninterrupted highway from the far West to the British and French Ports without the semblance of a breakdown or without any undue congestion. No man connected with transportation need, therefore, be ashamed of the part which he has been able to play in Canada's participation in the war.

Most Vital Next to War

"There is one question which I have in mind, which may not be imminent, but it may have to be discussed and decided within a few months, and if it is to be decided it is of the utmost importance that railwaymen should be properly represented in the counsels of Parliament in order, that their views may be sufficiently heard before these policies are decided upon. Otherwise a decision may be come to without your case being efficiently stated and it may be reached by men much handicapped by the absence of information which you yourselves may supply. I refer to the question as to what is to become of railways in this country. Next to the war itself that is probably the most vital question fronting the people of Canada. It is important because it is always important that the policy of Governments towards enterprise should be understood and if possible determined. It is doubly important in this case because of the magnitude of the systems involved and the amount of money which they represent. Representative railway workers in Parliament would be a very valuable assistance when deliberation on this particular question came up. In the last analysis of course the policy of the Government will be determined by the members of the Government, but you can rest assured it will be only determined in accordance with the wishes of the majority of the people of Canada.

Get Rid of Misconceptions

"Unfortunately I think for all of us, while a great deal has been written and spoken on this subject it has been written and spoken by men who take very extreme views. Many well intentioned, honest men, publicists and others believe in Government ownership of railways. You may call them theorists if you like, because it is theory that they are expounding. They write largely on the subject. Some of them are not sufficiently informed, but they are honest in intent I believe. On the other side of the sheet are technical railway articles, written by men who understand railroading, understand the significance of figures as applied to railroads, but unfortunately they don't speak the language of the ordinary man on the street and he reads it and thinks it very deep, but he does not understand it. The theorist has the advantage there because he can deal in general phrases and they, while not understood completely, have a certain significance to all readers. Therefore if you, and I think you should, take your part in the discussion of this very important thing, you should approach it in this way. First it is necessary to rid ourselves of any misconceptions about the thing and there are misconceptions. If you thought of buying a piece of property, of being a farmer, you would decide what you would offer for it or what it was worth to you and whether or not you could successfully operate it when acquired. You would first of all have to decide whether you wanted to be a farmer. The people of Canada must decide whether or not they want to be railroad owners and operators, and if they do how much it is going to cost them and whether the possibilities of successful operation justify the enormous obligations they will assume.

State to Regulate, Not Manage

"There are two misconceptions I think which exist, one is a misconception of the functions of the State, which are to regulate and not manage industrial enterprises. It may be said that independent administration of Government institutions can be secured by outside directors, but the difficulty which confronts us here, is that it is impossible that the man who pays the bill shall not interfere with the administration of his own property. In the case of Government, this means political interference and political interference is full of danger.

Get It for Less Than It's Worth

"The other misconception that I refer to, is, I think, an honest one that exists in a great many people's minds, and it is that because the people will be the purchasers of these properties that they will acquire them for something less than their worth, and therefore, that they will have a chance of operating them under more advantageous conditions than the present owners, or at least as advantageous, depending on how much they save on the rates. That is fundamentally wrong. You have no reason to assume that any Government will approach the solution of these problems in any other way than that of an individual desiring to acquire the property of somebody else by purchase, by agreement or by arbitration.

Less Efficiency in Government Service

"I am not going to attempt to persuade you to any views I may hold. My own views are not unalterable; you may even say that are not unprejudiced. You will be right, they are prejudiced with association, with one company, which, after thirty years, has built itself into a position of strength and efficiency, and I cannot overlook the fact that that has been accomplished through the resourcefulness, courage, loyalty, efficiency of the officers and men, and efficiency which I have never seen equalled in any Government institutions. (Applause.) It may be the fault of ourselves, but the fact is, that there seems to be something clamping, something uninterested about the attitude of a man once he is working for a Government. (Laughter.) It would be a pity, I think, if we change from one system about which we know a good deal, and in respect of certain railway companies, have been a distinct advantage to Canada, to another system that we know very little about, and, while I am not going to suggest to you, the various arguments for or against the nationalization of railways, it is peculiarly the first question to which you should direct your minds, because you have such a personal stake in the result. And while I do not propose to endeavor to point the solution, the Senator and his colleagues may reach on this question, I think I can say this much with certainty, now, and that is that we don't know enough that is encouraging about Government operation of railways to justify

Continued on page 11.

PERSONAL

LIEUT.-GENERAL SIR RICHARD TURNER, who in private life is of the firm of Turner, Whitehead & Co., wholesale grocers, Quebec, with interests in lumbering, will, it is said, make Toronto his home at the conclusion of the war.

CHARLES H. SABIN, president of the Guaranty Trust Company, of New York, has been made a Chevalier of the Legion of Honor of France. Edouard de Billy, French Deputy High Commissioner, conferred the honor on Mr. Sabin. It is believed this honor was bestowed upon Mr. Sabin for his great work for the Allies.

BAINBRIDGE COLBY will soon resign from the U. S. Shipping Board to resume his law practice in New York. His action is said to have been prompted by disagreements with Chairman Hurley on questions of publicity and, the policy of continued government operation of commandeered vessels against return to owners.

H. STOCKWELL, formerly associated with the municipal bond business of N. B. Stark & Co. before the war, has joined the department of Greenshields & Co. Mr. Day went overseas with the Third McGill Hospital Unit in May, 1915, but on arriving in England took out a commission in the artillery and later joined the battery of Col. Creelman, in France. In the fighting in the Somme in December, 1916, he was severely wounded, and invalided home some months later.

FREDERICK W. G. JOHNSTON, who for a number of years was manager of the uptown branch of the Molsons Bank, Montreal, died on Wednesday of this week at the age of 58. The late Mr. Johnston was a son of Chief Justice Sir Francis G. Johnston, and after being forced to give up his bank work on account of ill-health was engaged with his brother in insurance. Mr. Johnston was well known among the Laurentians as a keen hunter and fisherman.

W. W. HUTCHINSON, who was elected this week as one of the directors of the Canadian Bank of Commerce, has built up a reputation for himself as the general manager of the Lake of the Woods Milling Company. In the absence of the president, Brig.-Gen, Meighen, C. M. G., overseas, the full responsibility of the company has been taken care of by Mr. Hutchinson, who also is vice-president of the company. Mr. Hutchinson is also a member of the Board of the Crown Reserve Mining Company.

ROBERT WELSH, who far the past five years has been assistant manager of the Globe Indemnity Company, Montreal, has been appointed general manager of the Dominion Gresham Guarantee & Casualty Company, a position held by the late F. J. Stark. Mr. Welsh's experience includes twenty-five years in the insurance business, the first fourteen of this being at the head office of the General of Perth, Scotland, and the next six at the head office of the Liverpool and London and Globe in the casualty department.

H. A. FOSTER, who is senior partner of the new bond house of Foster, Barrett, Riepert and Low, was born in Ottawa and for a number of years has been a director of the Dominion Dredging Company. This Company was one of the contractors for the Welland Canal, and has been so successful that this last week it secured permission to decrease its capital stock from $500,000 to slightly under $200,000, by returning stock to the shareholders, and still has a handsome surplus in the treasury. Mr. Foster's keen business sense and wide experience will add strength to the new company.

J. ERNEST CARTER, who has been appointed mayor of Guelph under a new municipal system which introduces the novel feature that the chief magistrate is the choice of the eighteen elected aldermen, and is an investment broker, with financial interests in several of the city's more recently established industries. Mayor Carter has previously given the city nine years of service, having been elected alderman for the first time in 1907, and he served from 1907 to 1913, and in 1915 and 1926. He has been chairman of every committee of the council with the exception of the Markets and Public Buildings, and is therefore thoroughly in touch with civic affairs, while his business and financial experience should be valuable in giving practical attention to the management of the municipality.

KENNETH J. DUNSTAN, who has been made president of the Toronto Board of Trade, is the manager of the western division of the Bell Telephone Company of Canada and has been identified with the great business which has been built up around the invention of Dr. Graham Bell, since its inception in Canada. He was connected with the first exchange to be established in Canada, at Hamilton—the second on the continent—and when on its organization, the Bell Telephone Company absorbed the Hamilton Telephone and Telegram Company, he joined the larger concern and has since continued that connection as manager at Hamilton and at Toronto, and now as manager of the western division. He is recognized as one of the pioneers of telephone development and is secretary for Canada of the Telephone Pioneers Association of America. Apart from his interest in the telephone as an instrument of commerce and as an institution of public service, Mr. Dunstan has devoted much time to organizations of a patriotic and social character. He is president of the Toronto Red Cross, member of the council and secretary of the local organization of the Canadian Red Cross, president of the Toronto Electrical Association and a member of the executive of the Associated Boards of Trade, and of the executive of Patriotic Association. He has also at other times held important offices, including the presidency, of a number of similar organizations, having for their object the betterment of social conditions.

SIR JAMES WOODS, president of the Gordon, Mackay Company, whose good work with the British War Mission in the United States has brought him the distinction of knighthood in the new order of the British Empire, has been prominent in business circles in Toronto for many years. Sir James began his mercantile career as a lad in Galt, where he learned the dry goods business in his father's store. Then as a young man he came to Toronto and entered the employ of Gordon, Mackay & Co., in a junior capacity. His merits won him frequent promotion and for some time back he has been president and general manager of the company. Sir James has had various outside interests. Three years ago he was elected to the presidency of the Toronto Board of Trade. Since then he has become a director both of the National Trust Co. and the Imperial Bank. He is generally recognized as a shrewd, level-headed business man, of sound judgment and large capacity.

We Own and Offer

$1,625,000

Government of the

Province of Quebec

4½% Coupon Gold Bonds

Dated June 1st, 1916. *Due June 1st, 1946.*

Principal and half-yearly interest (1st June and December) payable at Bank of Montreal, Montreal or Quebec, at the holder's option. Denomination: $1,000.

These Bonds are not subject to the duties imposed by the Province of Quebec Succession Duties Act.

Subject to Legal Opinion—Smith, Markey, Skinner, Pugsley and Hyde

These bonds and the interest thereon are a direct and primary obligation of the Province of Quebec.

FINANCIAL STATEMENT
Population, 1911, 2,003,232
Estimated, 1918, 2,305,754

Assessed Value of Taxable Real Estate		$1,285,516,644
Total Funded Debt		39,462,996
Less: Sinking Fund	$1,645,058	
Other Assets (Net)	5,312,922	
		6,957,980
Net Debt		$ 32,505,016
Assets of Province		518,221,000
Annual Value of Manufactures and Primary Products		554,499,000

Area of Province—450,337,761 acres or 703,653 square miles.

Price: 85.91 and Interest, yielding 5½%

Engraved bonds will be ready for delivery on or about January 20th. Orders may be telegraphed or telephoned at our expense.

Investment Securities

A E. AMES & CO.
UNION BANK BLDG., TORONTO
Transportation Building, Montreal
74 Broadway - New York

Established 1889

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

Toronto Land

R. E. S., Harrogate—I purchased some years ago a block of shares in the Toronto Land Corporation—preferred and common stock. Can you give me any reliable information regarding the company? London brokers inform me that "The Corporation like all similar companies was placed in a very difficult position by the outbreak of war, practically no land being sold since that date. The city has, however, carried out the undertaking to make a road to the property and has also built a new bridge over the River Humber. This has considerably improved the property and when more normal times arrive it should not be long before the company recovers its position."

The opinion of your London brokers is, generally speaking, correct. There has been considerable building in the district referred to during the past year and activities on at least a moderate scale should be resumed as soon as the general conditions have become more settled. Enquiries conducted indicate that architects and builders are anticipating the resumption of building programmes before long but the factor of uncertainty as to readjustment in the cost of labor and raw materials is having the effect of delaying definite plans for the time being. In Toronto, as in most other industrial centres throughout the country, there is a shortage of houses and with the return of the soldiers and the resumption of immigration it is expected that this condition will be even more pronounced. If conditions return to anything like normal, therefore, and there are no unexpected checks the future of the Toronto Land Corporation is assured. The Lands of the Corporation are well bought and the company has been economically managed and is reported to be in a very comfortable position financially.

Eastern Car

R. F. McN.—I would greatly appreciate if you would give me your opinion on the future prospects of the Eastern Car Works, New Glasgow.

The Eastern Car Co., is, as you are probably aware, a subsidiary of the Nova Scotia Steel and Coal Co., guaranteed by the latter. The company was not successful in making money in 1916, indeed money was lost, because, it is understood, of poor technical management. This condition was changed in 1917 and the losses were retrieved. As for 1918 the annual meeting does not take place until March and it will be six weeks or so before the statement is out. At the present time nothing definite can be said. On enquiry in authoritative sources it is learned, however, that the prospects are fair that the company will make a clear year. There is some hope for a dividend on the preferred stock but that this has been earned directors do not venture to say. They hope so, but they cannot yet be sure. The company at the present time has orders for between two or three months ahead—three months at the most. New orders are being looked for but the volume is another matter. The railways need new cars, as rolling stock has been run down during the war period, and the company should secure a share of what is going in this regard. In view of the company's close relations with Scotia it should be able to manufacture to advantage and if it obtains the orders being sought it should be in a favorable position for profitable business. Under the circumstances, however, it will probably require the publication of the annual statement to provide a definite basis for estimating future results.

Porto Rico Railways

Sydney—Can you give me any information regarding the present situation and outlook for Porto Rico Railways? What is the present market price?

The 1918 figures for Porto Rico Railways are not yet available but the FINANCIAL POST is informed that the gross total will establish a new high record by a considerable margin while at the same time there will also be a substantial increase in the net. The improvement in the net, however, will not be so marked as had been anticipated some months ago, owing to the fact that in addition to the high cost of operation which have accompanied war conditions a severe drought was experienced which not only affected the sugar crop and the company's freight business but necessitated the operation of the steam plant for some time, and this, with coal at extremely high figures, entailed a loss estimated around $60,000. This reduction in freight rates which has recently been granted. Jitney competition is having its effect in connection with the passenger traffic and this is a difficulty hard to overcome owing to the fact that the jitneys are operated over a particularly good section of highway where the company has only a single track. Thus the automobiles can make fast time as compared with the company's cars which are delayed by the necessity for switching. Generally speaking the conditions being faced by the company are very similar to those affecting public utility corporations in this country, the operating costs increasing more sharply proportionately than revenue, despite expanding volume of business. For the future much will depend upon the action of these operating costs and in this connection the readjustment of wages, ocean freight rates, etc., are difficult to forecast. One very satisfactory feature in connection with the company's business is the steady growth of demand for light and power, the outlook for further expansion in this connection being very bright.

KEEP INFORMED

Investors will be interested in our new Booklet of Investment Securities. Among other valuable information, it contains latest available earnings, financial position, etc., of many of Canada's most prominent industrial enterprises.

Write for a copy to-day.

ROYAL SECURITIES CORPORATION, LIMITED
164 ST. JAMES STREET
MONTREAL

CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

A FOOL AND HIS MONEY

Wall Street Journal

It is proverbial that a fool and his money are soon parted, and there is just protest against the inadequate laws governing corporations floated for exactly that purpose. George W. Bristol, a lawyer practising in the financial district, who has in the past done useful work in calling the attention of Congress and the Department of Justice to the extent of this evil, says in a letter to the *Evening Post*:

> "We have had, under war conditions, Government supervision over what we may eat, what we may wear, and what we may burn for fuel. Why not have, under peace conditions, Government guardianship for the protection of 'easy marks'? Such a law might not be profitable to the magazines and periodicals which expose fakes in their news columns this year which perhaps they boomed in their advertising pages last year, but the stock game would be made much safer for honest investors."

What is needed is legislation framed on the simplified corporation laws of England. The Consolidated Companies Act of 1908 represents the crystallization of a century of English experience. The legislation is thorough and effective, and is based on the sound common-law maxim of *caveat emptor*—"let the buyer beware." But the seller cannot sell stock until he has complied with requirements which enable the buyer to protect himself against himself if he chooses.

Every corporation floated in England must state exactly what it is, what its real business is, what its assets are, what contracts have been made prior to its flotation ,and explicitly those responsible for its existence, who are held liable civilly and under severe criminal penalties for the truthfulness of the statements filed for public record and scrutiny at Somerset House in London.

It does not matter if the proposed ends of the company are worthless and unattainable. Of this the buyer has the means to satisfy himself, not only by the preliminary prospectus, by the publication of all contracts and commissions; but also by complete periodical statements filed under oath, with the same penalties for falsehood, together with an annually revised list of stockholders which can be seen at any time for a fee of one shilling.

This is as far as the law can successfully or wisely go in protecting a fool from his folly. His money will burn a hole in his pocket anyway, and nothing but experience can teach him. But it is well within the power of the Federal law, through control of the use of the mails, to enforce such a law as that of Great Britain. the results of which have been admirable.

PUBLICITY AND THE SQUARE DEAL

Grain Growers' Guide

The attention which has been aroused by the plank in the Farmers' Platform which demands that all corporations engaged in the manufacture of products protected by the customs tariff be obliged to publish annually comprehensive and accurate statements of their earnings, is by no means confined to our own country. That plank is also being commented upon in the United States.

The St. Paul *Daily News* remarks that it is an idea that has never yet been put into operation on this continent, and goes on to say that in setting for the Canadian Council of Agriculture has laid down a principle destined to come into operation in both Canada and the United States. Saye the St. Paul paper:—

> It is reasonably certain that the nation will never return to the good old days when tariffs were the parents of a multitude of tribute-bearing trusts. Since war has given us experience in levying taxes on war profits and excess profits, it seems entirely reasonable that any Congress which desires to protect "infant industries" will be forced by public opinion to make sure that only reasonable protection is given—and that the "infants" need it.
>
> This can be obtained by a confiscatory tax on profits above a reasonable rate earned because of tariff protection. It is generally recognized now that business which accepts favors from the nation must accept supervision, and submit to taxation of unreasonable profits resulting from this favored treatment.

Direct taxation has thus far been introduced in this country in decidedly smaller measure than in the United States. Capital and its earnings have been spared in this country, at the expense of the great mass of the producers and consumers, as they have not been spared in the United States under the fiscal policies put into operation in that country under stress of the war.

Canadian fiscal policy will of necessity have to become more just. Secrecy is one of the bulwarks of its present injustices.

WILDCATS

In announcing the suspension of the activities of the capital issues committee on Dec. 31, Chairman Hamlin of the federal reserve board and Secretary Glass both voice the necessity of legislation protecting the investor against the purchase of worthless securities, so-called, which have been more or less quiescent during the war period.

The purveyors of these fake stocks and bonds are resuming their operations and are finding a fertile field among the purchasers of liberty bonds. Stringent action to suppress them cannot be taken too quickly.

At the same time care should be taken not to impose undue restrictions upon legitimate financing. Secretary Glass appears to understand the situation and having been a member of congress until recently will be able perhaps to get such legislation as he desires at this session, in spite of the mental incapacity of the majority of the members to handle the matter intelligently.

THE HYDRO AND THE RADIAL

Hamilton *Herald*.

One of the Toronto dailies has a lot of chatter by way of playing to the gallery in connection with the railway situation here. There is nothing too wild for it to say or scheme too visionary to meet with its approval. It thinks that it is fighting the big interests, autocracy, Prussianism and Kaiserism, and a lot of other things created by a disordered brain, when it is only making itself look foolish. What the public is interested in is to get the Radial cars running as soon as possible. We understand that Burlington Council last evening voted in favor of having the Provincial Hydro Electric Commission take over and operate the road.

If the Commission is willing, and the Radial directors willing, the deal can be made. It requires two to make this bargain. Let Sir Adam Beck state definitely if he is willing to take over the road. Then let the Radial people say if they are willing to make a dicker. If they are both willing, there should be nothing to hinder the cars from running at once. Sir Adam should make the advances. This inflaming the minds of the people over the situation is just so much Bolsheviki of a certain kind.

CANADA'S RAILWAYS AND STATE CONTROL

Continued from page 10

any further excursions into that field, and, until, at least, we know the result of our present experiment, and we know what will happen in the United States, where their conditions are in a measure, somewhat similar to those in Canada.

Clamping Government Influence

"You have a sign, and on it is, 'Stop, look and listen.' You have also heard the maxims 'Watch and Pray," and 'Wait and See.' You have been warned not to 'Marry in haste' and repent in leisure.' All your life, you have met with conditions which require you to hesitate, that is, when there is a doubt. There is a very grave doubt as to the future, and, that is when prudence must prevail. It will be only prudent for this country, instead of dealing off-handedly and unnecessarily with properties worth over a billion and a half dollars, which are efficiently managed, so far as we know, before the clamping, restrictive, inefficient influence of Government should be fastened to these properties, that we should, at least, be satisfied in our own minds that the results are going to justify the assumption of those enormous obligations.

"In the education of your members for political discussion, the study of economics must naturally play a large part. I see in the list of books recommended for your perusal in the Canadian Railroader, the works of such men as Adam Smith, Ricardo, Henry George and others—a very representative collection. A knowledge of the great writers on economics is of great value to those who wish to discuss intelligently the economic problems of to-day.

"I do not propose to give you a lecture on political economy, but I will say that in the nationalization of railways there is one economic fact that you must never lose sight of—that there are more employees in the railway business in Canada than in any other single industry with one exception, and therefore whatever burden is put on the people and the country in consequence of this excursion into private activities, or activities up to the moment reserved for private enterprise, a portion of that burden will fall on you. That is an economic fact that you as the most numerous of a single industry with one exception, should never lose sight of.

Agreement With Labor Men

"There is just one other question I want to mention to you, and that is the establishment of what is known as the Railway Board of Adjustment No. 1, in which Mr. Robertson took a very prominent part some months ago. I had something to do with that, and for the best part of the day the railway executives and representatives of the Unions sat on opposite sides of the table and discussed in a very friendly way the principal provisions of the agreement which brought that board of adjustment into existence.

"I did not know the vice-presidents of your orders as well as other railway executives. I had met many of them years before, but I want to say to you now that if the attitude of Labor and of the railway officers in all cases was the same as that shown by Messrs. Kennedy, Berry, Murdock, Wark, Turnbull, Mein, and the other labor leaders at table talk, there would be little possibility of difficulties arising which were not capable of amicable adjustment. These were men, it seemed to me, of outstanding ability, of very sincere patriotism who agreed among themselves that nothing so far as they could prevent it would happen which would permit any dislocation of industry during the period of the war. It was a very impressive conference to me. We have a period on readjustment facing us. It is filled with a great many problems that we will admit are very difficult of solution. There is an economic adjustment which must be made. We must get from the abnormal back to the normal, and if there is one thing more than another that I think merits the serious consideration of the members of your order, it is that in the transfer from the abnormal back to the normal which must come the attitude of the consideration which is shown to the problems affecting yourselves should be actuated and guided by a fairness and consideration for the right of others, so that no one interest will be allowed to prevail. The questions should be determined and can be determined, even though the readjustment seems severe, on the same principles of equity and fair dealing that guided these labor leaders and executives of the railways in constituting that Board of Adjustment. With that spirit prevailing I myself have no doubt as to the result."

Victory Bonds

(all issues)
1922-1923-1927-1933-1937

Bought–Sold–Quoted

GREENSHIELDS & CO.
Members Montreal Stock Exchange
Dealers in Canadian Bond Issues
17 St. John Street, Montreal
Central Chambers, Ottawa

Under the Authority of the Imperial Munitions Board We Offer

FOR SALE PROPERTY OF BRITISH MUNITIONS CO.

At King's Park—Verdun—Montreal

Land—1,103,200 square feet, immediately adjoining boundary line between Montreal and Verdun, one block from Wellington Street, a few hundred feet from main line of Grand Trunk Railway. There is a railway siding on the property, with spur, leading to two substantial loading platforms at the buildings.

Buildings—The buildings are grouped near the centre of the site. The administration buildings, standing separate from the factory. include spacious general offices and fireproof vault, lunch room and kitchen, Red Cross Department and garage to accommodate five cars.

The factory proper is of one-storey brick and steel construction on concrete foundations carried down to solid ground. The roof is saw tooth type, planned to give north lighting. The floor area of the factory is 280,000 square feet.

The buildings are equipped with gas, electric light, hot and cold water throughout, separate drinking fountain system, dining halls, ample lavatory accommodation for men and women, some shower baths, steam heating, compressed air throughout the factory, fire sprinkler system, fire hose equipment, six hydrants on the property, steam fire pump controlling reserve emergency underground water supply of 160,000 gallons connected with city mains, and interphone system of 24 stations.

The buildings are new, of first-class modern construction and are suitable for any ordinary manufacturing concern. The location is very convenient to the centre of the city, is served by good roads and is in the centre of a good labor market. There is ample land to permit of expansion.

Full particulars will be furnished to those interested. Inspection of property can be arranged by permit only.

Attractive Price. **Very Convenient Terms.**

The Crown Trust Company
A TRUST COMPANY FOR THE PUBLIC'S SERVICE
145 St. James Street - - - - MONTREAL

PICCADILLY
LONDON
Smoking Mixture

The art of blending tobacco has reached the zenith of perfection in Piccadilly Smoking Mixture.

30¢ PER PACKAGE

THE
STERLING TRUSTS CORPORATION

Increased Revenue From Real Estate
is reasonably assured by placing it in the Management of Our Real Estate Department.
Write for booklet "Your Property Income."
10 AND 12 KING STREET EAST.

HEAD OFFICE—TORONTO

Resolve—Now to Make Your Will

Accidents, or worse, frequently occur without giving the sufferer time to make his WILL. Such an event defeats the wishes of those who leave property. "Make Your Will NOW," is a good resolution, for, unless a WILL is made while you are in sound health, it may be disputed. Booklets and full information about choosing and appointing an Executor supplied on request. Interviews solicited.

THE
TORONTO GENERAL TRUSTS
CORPORATION

Hon. Featherston Osler, K.C., D.C.L., President. A. D. Langmuir, General Manager. W. G. Watson, Asst. Gen. Manager.
Head Office: 83 Bay St., Toronto

Business Founded in 1795
AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)

BANK NOTES, BONDS, STOCK CERTIFICATES, CHEQUES AND OTHER MONETARY DOCUMENTS

SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES

HEAD OFFICE and WORKS
OTTAWA

Branches:
TORONTO MONTREAL WINNIPEG

BEAUSOLEIL, LIMITED
Financial Agents and Investment Brokers
Dealers in Municipal and School Bonds
112 St. James Street MONTREAL

We Specialize in
BRITISH COLUMBIA MUNICIPALS
Wire us if buying or selling.
Royal Financial Corporation, Ltd.
Suite 703, Rogers Building
Capital Paid Up $566,220.32
E. B. McDermid Managing Director

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Authorized Capital - - $2,000,000.00
Subscribed Capital - - 1,000,000.00
Paid-up Capital - - 247,015.79
General Fire Insurance Business Transacted
Theodore Meunier, Manager
Reginald B. Gaudin, Assistant Manager

NEWS OF THE BOND MARKET

FAIR BUSINESS BEING DONE IN BOND MARKET

Quebec and Alberta Flotations Features of The Week

OTHER PROVINCIALS

Dealers Continue to Express Uncertainty as to Possible Trend of Prices in Immediate Future

Business in the bond market continues fair, though bond dealers are reporting that the demand is not developing to the extent anticipated before the turn of the year. Of course, the scarcity of offerings makes it difficult to estimate the actual absorptive power of the market and until such time as bonds come out in greater volume there will be little opportunity to get an exact line on conditions. The buying of Victory bonds is encouraging and shows the market to be in a healthy state.

The situation here is naturally influenced to a considerable extent by the state of affairs across the line. There, a slowing up is observable. Whether this is due to new foreign loans overhanging the market, to the over-selling of issues, to the impending federal loan or to a combination of all these causes, the effect is there in any case and the Canadian market reflects the condition. In any event, there is not a wide demand from individual investors and the buying is being done very largely by corporations, who are being forced by circumstances to invest their surplus funds in this way.

Favorable Factors

It is a well known phenomenon of the bond market that business is usually good, when general business conditions are quiet. If this rule holds true, then it may be expected that the demand for bonds will continue strong until business interests begin to reestablish themselves on a new peace basis. With prices of raw materials dropping, it will not be the policy of buyers to stock up to any extent and, as funds accumulate, these will be invested in securities, preferably bonds. From this standpoint, the bond market should continue strong for some time to come.

To this development may be added the circumstance that the total borrowings of provinces, municipalities and corporations for the year will be small, when compared with the Government financing of 1917 and 1918. If the country could absorb hundreds of millions of war bonds in these two years, it is reasonable to suppose that it will take up with facility all possible issues that may be offered in the Dominion this year.

Provincial Issues

Interest this week has naturally centred in the Quebec and Alberta issues. The former issue, consisting of $1,625,000, 4½ per cent. bonds, dated June 1, 1916, and maturing June 1, 1946, was offered on Monday by A. E. Ames & Co., at a price of 85.91, to yield 5½ per cent., and was placed with great despatch. Its attractiveness was immediately patent. With a life of 27½ years and free of provincial succession dues, it appealed to Quebec investors, while investors elsewhere recognized that the security behind the bonds was of the best.

THE FINANCIAL POST'S resident representative at Montreal states that the offering rather took the Montreal street by surprise, as most people had forgotten the existence of the issue entirely. The bonds were floated in 1916 to cover a portion of the cost of the construction of the big La Loutre dam at the headwaters of the St. Maurice River, which was designed to regulate the flow of water in that important power stream and assist the developments of the Shawinigan, Laurentide and other power companies.

In his address last year the president of Shawinigan Water & Power Company, J. E. Aldred, made a reference, to this dam, and the co-operation of the province in its construction. It was understood at the time that the power companies had advanced a large part of the cost of construction which the Province had agreed to bear, as it was felt that the time was inopportune for the issue of the bonds. Thus they have rested ever since, and reappear at a time when the low rate of interest causes some surprise until the circumstances are recalled.

The Alberta Issue

The Alberta issue attracted a good deal of attention and some twenty-three bond houses figured in the bidding on Tuesday.

The issue consisted of $1,000,000, 6 per cent., 20-year bonds, and the successful tenderers, A. E. Ames & Co. and Wood, Gundy & Co., offered 99.14, at which price the province pays about 5.557 per cent. for the money. This is regarded in bond circles as a remarkably good price and the Provincial Treasurer of Alberta is being congratulated on the success of the sale. His decision to sell at this particular time, to call for tenders and to issue long-term bonds are indications that he has a good grasp of the market situation. The tenders received were as follows:—

1. Wood, Gundy & Co. and A. E. Ames & Co.	99.14
2. Canada Bond Corporation, Limited	99.0791
3. Kerr, Flemming & Co.	99.0001
4. Osler & Hammond	98.92
5. W. A. MacKenzie & Co. and Messrs. Brent, Noxon & Co.	98.288
6. Dominion Securities Corporation, Limited	97.828
7. The Sterling Bank of Canada	97.6315
8. Housser, Wood & Co.	97.273
9. Burgess & Co., and Campbell, Thompson & Co.	97.171
10. Aemilius Jarvis & Co.	97.119
11. Municipal Debenture Corporation, Limited	97.06
12. R. A. Daly & Co. and Messrs. Kean, Taylor & Co., New York	96.85
13. R. C. Matthews & Co., Toronto; Hanson Bros., Montreal; C. Meredith & Co., Limited, Montreal, and Otis & Co., Cleveland, Ohio	96.52
14. Harris Trust & Savings Bank, Chicago	94.89
15. Spitzer, Rorick & Co.	94.85
16. Morrow & Jellett	94.36

It is expected that an offering of the bonds will be made early next week and the expectation is that they will be sold at a price to yield 5.40 or 5.45 per cent.

B.C. To Follow

A despatch this week from Victoria states that at a meeting of the Legislative Council on Monday Hon. John Hart, Minister of Finance, said the Government approved of the floating of a loan of $3,000,000. Tenders soon will be advertised and an issue of bonds for this amount made. The rate of interest and the terms will be decided by the Minister in the meantime. The proceeds of the flotation will be used to pay off the loan of $3,000,000 obtained from the Dominion Government last June. For the money so loaned by the Federal Government the province is paying 6½ per cent. interest.

The fact that the Province of Ontario has floated an issue of $3,000,000, 5 per cent., 6-month treasury bills in New York, is taken to indicate that for the present at least this province will not be in the market with a bond issue. Both Saskatchewan and Manitoba, however, are expected to be early borrowers.

Smaller Issues Placed

The township of Etobicoke has awarded to Brent, Noxon & Co. at 100.25 an issue of $5,000, 6 per cent., 10-instalment bonds for which tenders were invited this week. Seven offers were received, these ranging as follows:

Brent, Noxon & Co.	$5,011.00
Turner, Spragge & Co.	5,010.50
Housser, Wood & Co.	5,006.00
Mulholland, Bird & Graham	5,003.00
G. A. Stimson & Co.	5,003.00
W. L. McKinnon & Co.	4,998.20
MacNeill & Young	4,971.50

C. H. Burgess & Co. has purchased issues of $13,000, 6 per cent., 10-year straight and $8,400, 6 per cent., 10-year instalment bonds of the town of Collingwood. These bonds are guaranteed by the County of Simcoe.

Sandwich Township has awarded A. E. Ames & Co. an issue of $16,500, 6 per cent., 20-instalment bonds.

Whitby Township on Monday awarded to Kerr, Fleming & Co., an issue of $13,500, 6 per cent., 20-instalment bonds at 101.31. The following tenders were received:

Kerr, Fleming & Co.	$13,677.00
H. J. Birkett & Co.	13,635.00
W. A. Mackenzie & Co.	13,625.95
A. E. Ames & Co.	13,607.00
C. H. Burgess & Co.	13,533.75
Brent, Noxon & Co.	13,500.00
W. A. Harris	13,400.00

BIG BLOCK OF SYDNEYS

Eastern Securities Co. Takes Up All City's Unsold Issues

The Eastern Securities Co., St. John, Halifax and Montreal, announce the purchase of a block of $264,500, City of Sydney, N.S., 5 and 6 per cent. bonds, maturing 1944 to 1948. Particulars of the bonds are as follows:—

Amount	Purpose	Dated	Term Yrs.	Rate
$ 10,000	Water	April '14	30	5%
19,000	Sewer	Aug. '14	30	5%
22,000	Water	Aug. '14	30	5%
12,000	Retir'g loan	Oct. '16	30	5%
12,000	Hospital	Oct. '16	30	5%
27,500	Fore dept.	July '17	30	5%
50,000	Schools	Oct. '16	30	5%
20,000	Streets	July '17	30	5%
55,000	Sewer	July '17	30	5%
15,000	Schools	Dec. '18	30	6%
12,000	Retir'g loan	Dec. '18	30	6%
$264,500				

This cleans up all the unsold bonds of the city and it is not expected that there will be any further issues for some time. The five per cent. bonds are now under offer at a price to yield 5⅝ per cent.

MONTREAL BONDS ARE NOW LISTED ON THE EXCHANGE

Interesting Precedent May Thus Have Been Created

THREE MATURITIES

These Are the Five-year Bonds Issued Last Year, and They Are Now Selling at a Premium

An interesting addition to the list of the Montreal Stock Exchange this week, and one that may prove a precedent for further action of a similar nature, was the appearance of the last three issues of the City of Montreal bonds of 1918. There were three of these issues last year, the first for $6,900,000, which bore 6 per cent., but was sold to give a yield of 6½ per cent.; the next of $6,100,000, also at 6 per cent., but sold at par and accrued interest so that the yield was reduced to 6 per cent., and the third in September for $2,300,000, afterwards increased by $1,000,000 to $3,300,000, selling on the same terms as the previous one. This made a total of $16,300,000 during the year, and with a few exceptions of sales the whole distribution was made in Canada, chiefly in the Province of Quebest.

Very few of the bonds are left on the market, and these have begun to sell at a premium. This is especially the case with the first two issues, aggregating $13,000,000, which are payable in New York as well as in Montreal, and give the advantage of the rate of exchange. This does not apply to the third issue. The first two were to retire short-time notes of the city that had been floated in New York, one maturing on the first of December, 1917, and the other on the first day of April, 1918, both of which were taken care of by the Bank of Montreal, while the issue in Canada was being arranged for. The third issue covered the indebtedness of the City of Maissoneuve, which was assumed by Montreal at the time of the union of the two municipalities.

Quoted Over Par

The three issues mature as follows: No. 1, Dec., 1922; No. 2, May, 1923; and No. 3, September, 1923, all being five-year bonds. The first two are quoted now at about 101 to 101½, and the second is slightly under par.

Many years ago there were municipal issues listed on the exchange, but before the war when most of the financing was done in London the local market became empty of these issues.

Brokers and bond dealers in Montreal are strongly in favor of the listing of the Montreal bonds. It is felt that this will open the way to the listing of other municipal issues, which would tend to establish a standard of values for them, following in the trail of the Victory bonds, and the additional publicity given to the civic issues would be a special incentive to the civic administration to strengthen the financial condition of the city with the idea that this would be at once reflected in the market price of the securities that represented the city.

VICTORY BONDS UP

Committee Has Raised Price of the 1933 Maturity

On Monday the Special Victory Loan Committee, in view of the difficulty of bringing out enough bonds to fill the demand, advanced the buying price of the 1933 issue from 101 to 102. The 1923 issue remains unchanged at 100½. At 102, the 1933 bond yields 5.30 per cent. There is a feeling that it will not be long before both the 1918 issues will be freed from the restrictions imposed by the committee, though in bond circles it is the opinion that it would be a mistake to have this happen too soon, as there is a great mass of undigested bonds still floating around the country.

A USEFUL FOLDER

Toronto Bond House Issues Victory Bond Interest Table

A useful service has been rendered by A. E. Ames & Co. in putting out in convenient folder form an interest table for use in connection with the buying and selling of 5 per cent. and 5½ per cent. bonds. Each table gives the amount of interest accruing on a $1,000 bond for any period from one day to six months at both rates of interest and being printed in a fairly large size of type may be easily consulted. On the back are printed particulars of the five domestic war loans floated by the Dominion between 1915 and 1916.

R. C. Matthews & Co.
Government and Municipal Bonds
C.P.R. BUILDING
TORONTO

McDonagh, Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

Housser, Wood & Co.
Canadian Municipal Bonds
Union Bank Bldg. Toronto

VICTORY BONDS
even at advanced prices are still exceedingly attractive. We would appreciate being favored with your orders.
R. A. DALY & CO.
Bank of Nova Scotia Bldg.
TORONTO

W. L. McKinnon Dean H. Pettes
Invest your savings in
VICTORY BONDS
and you will have the most highly secured investment in Canada and a good income.
W. L. McKinnon & Co.
McKinnon Building
TORONTO

J. A. Thompson
Government and Municipal Securities
We specialize in Western School and Municipal Debentures, also Saskatchewan Rural Telephone Bonds.
CORRESPONDENCE INVITED
Union Bank Building
WINNIPEG

Municipal Finance

—Now that the war is over—it seems reasonable to expect that normal conditions will soon return and permit Municipalities to issue loans of a more permanent and conservative character.

—Therefore present financing should be for short periods of not more than, say, five years.

—We are open to purchase total new issues of Government and Municipal Bonds of such short maturities.

RENE-T. LECLERC
Investment Banker
160 St. James Street Montreal
ESTABLISHED 1901

Invest In Victory Bonds

We can offer these bonds—due at any maturity—at the best market price.

F. H. DEACON & CO.
Members Toronto Stock Exchange
INVESTMENTS
97 BAY STREET, TORONTO

ERICKSON PERKINS & CO.
Members New York Stock Exchange
STOCKS AND BONDS
Private Wires
6 KING STREET WEST
TORONTO

Do You KNOW Your Business?

We unfailingly make surprising disclosures and save much money for clients. Investigations, Time Studies, **Systems that bring big results.**

Carl B. Prosser & Co.
Efficiency Engineers
1011-12 C.P.R. Building, Toronto
Telephone Adel. 5668

OUR ADVICE

Do not do anything in the line of Buying, Selling or Leasing Real Estate without consulting our Real Estate Department. It will save you money.

Chartered Trust and Executor Company
46 King Street West, - Toronto
Frank McLaughlin, Superintendent

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.

Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.

Address enquiries to
R. G. DUN & CO.
Dominion Bank Bldg. - Toronto, Can.

FIELD OF MUNICIPAL FINANCE

SELLING POLICY DETERMINED BY STATE OF MARKET

Whether to Call Tenders or Sell Privately a Problem

WHEN TENDERS PAY

Only When Market is Normal and Interest Rates Remain Fairly Steady During Period of Sale

By **H. L. CORBETT**
City Treasurer, Ottawa

In expressing an opinion as to the merits or demerits of the tender system for municipal issues, it might be necessary to classify conditions as affected by three recent periods in the world's history; namely, pre-war, during war, and post-war.

Previous to the great European war, interest rates hovered around 4 and 4½% for the best municipals and these were being sold at a slight discount, because 5% would have meant a premium and premium bonds are not popular with the average investor, who requires them to increase in value up to the period of maturity. At this time the tender form was probably the most popular, the interest rates being fairly stable; but when war started and Government borrowing began on a larger scale, municipalities had to retrench in capital expenditures or pay very high prices for borrowings. The price of money was rising rapidly and to follow the market meant odd rate debentures and odd rate debentures might be an innovation that would work a hazard to the borrower.

Watch Market Closely

The next best thing to do was to watch the market closely, and take advantage of any circumstances for marketing issues at the best price obtainable. The reason for this procedure is quite apparent when one considers the amount of work and time necessary from the initial stage of an issue, when the by-laws are prepared and advertised, the rate of interest determined, and the completion of same ready for sale. I think any one acquainted with preparing this class of work will agree with me that it sometimes seems almost impossible to think of calling for tenders and give a reasonable time for advertisement when interest rates are likely to vary in the meantime.

When the market is normal and interest rates remain fairly steady, the tender system is probably the best: but during the last 4 years such conditions have not prevailed, as I mentioned above. From the time it would take to have by-laws prepared and tender forms printed with a date set for receiving bids, it would leave the bidder with perhaps a client pressing him for a particular issue to fill up a gap in the investment account, who would be in a position to make a very good offer for immediate acceptance.

Feeling the Situation

There is such a thing as feeling the market by asking for private offers and during the war this has proven in many cases a splendid method, when time was limited. It is more than ever necessary to compare prices of all Government and municipal issues put on the market so as to follow the trend and meet the rate set in the by-laws as nearly as possible. Just at the present time the rate of exchange between Canada and the United States is a factor that would seem to encourage borrowing from the latter source; but there are formalities in connection with this plan that would probably not be worth while for small issues. Some municipalities have low rate issues on their hands; rather than take a large discount, and, as it is impossible to amend the rate once collection of same has commenced, there is no remedy; but now that the war is over and there is every likelihood of money becoming cheaper and fairly stable rates maintaining, the tender form will again come into vogue as the most satisfying to all concerned.

The Oxford Securities Corporation, Toronto, is moving into much larger quarters in the Royal Bank Building, on the 1st of February. An office is also being opened in Montreal with E. Faulkner as general manager.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Jan. 24, L. G. Board, Regina—Borderlands S. D., $2,800, 7 per cent., 10-year annuity; Scalat S. D., $2,000, 7 per cent., 10-year instalments; Gallivan S. D., $3,000 7 per cent., 10-instalments; Carmichael Village S. D., $2,500, 7 per cent., 10-year annuity; Lost Horse Creek S.D., $1,900, 7 per cent., 10-year annuity; Wheat Valley R. T. Co., $700, 7 per cent. 15-year instalments.

Jan. 27, Three Rivers, P.Q.—$40,000, 6 per cent., 10-year debentures of the school commissioners for the city of Three Rivers, P.Q., dated Nov. 1, 1918.—Arthur Nobert, Treasurer, Three Rivers.

Jan. 20, York Township.—$75,371 in three blocks of $4,800, $49,400 and $21,171 of 6½% 10-instalment bonds.

Jan. 21, Essex Border Cities Utilities Commission—$210,000 6 per cent., 30-instalment bonds.

Jan. 23, Hanover—$18,000, 6 per cent., 15-instalment Hydro-Electric debentures.

Jan. 24, Alberta Schools—$20,750 in six blocks of school district debentures, 7 per cent., 5, 10, 12 and 15 year.—J. T. Ross, Deputy Minister, Department of Education, Edmonton, Alta.

BY-LAWS PASSED OR DEFEATED

Niagara Falls—$38,000 for purchase of a park, defeated by the ratepayers January 6.

Lethbridge—$110,000 against tax arrears; $15,000 for new fire engine, carried by ratepayers January 6.

Vancouver—$750,000 for Victory Hall; $544,000 for school board purposes; $350,000 for acquiring timber lands; $200,000 for road improvements, defeated by ratepayers January 9.

Chatsworth—$1,400 to cover balance of cost of hydro-electric plant, passed by ratepayers January 6.

South Grimsby Township—$4,000 for the improvement of Griffin street in Smithville, passed by ratepayers January 6.

Carleton Place—$100,000 for purchase of local electric light plant, passed by ratepayers January 6.

Thorold—$7,500 for additional equipment at waterworks pumping station, passed by council Dec. 16; registered January 6.

Wallaceburg—$10,000 for aid to Wallaceburg Hospital Association, defeated by ratepayers January 6.

Lucknow—$5,000 for purchase of electric light plant, carried by ratepayers Dec. 27.

North Cayuga Township—$4,000 for school purposes, passed by council Dec 16; registered Dec. 23.

Burlington—$30,000 for erection of a public school, carried by ratepayers January 6.

Ottawa—$150,000 for municipal coal yard, defeated by ratepayers January 6.

SASKATCHEWAN

The following is a list of authorizations granted by the Local Government Board from December 18th, 1918, to January 4th, 1919 :

Rural Telephone Companies—Vanguard, $1,500; Fairdale, $700; Eston, Pioneer, $800; Naseby, $600.

School Districts—Carmichael Village, $2,500; Lost Horse Creek, $1,900; Maymont, $1,000; Carnduff, $800; South Ridge, $2,500; King George, $600; Gallivan, $3,000; Red Butte, $2,500.

Town of Rosthern—$4,000.

Rural Municipality of Kingsley, No. 124—$3,500.

The following is a list of debentures reported sold from December 18th, 1918, to January 4th, 1919:

School Districts—Dafoe, $2,500, to Waterman-Waterbury Mfg. Co., Regina; South Side, $2,850; Highcroft, $3,500, Drake-Ballard & Co., Moose Jaw; Odel, $1,200, to Chas. Thode, Saskatoon; Eden Valley, $1,500, Regina Public School Board, sinking fund trustees; Gravel Hill, $2,500, Wood, Gundy & Co.; Willow Lake, $1,200, Canada Landed & National Investment Co., Winnipeg; St. Antoine R. C. Public S. D. No. 1, $1,200; to Waterman-Waterbury Mfg. Co., Ltd., Regina; Storthoaks P. S. D No 2, $2,500, to E. G. Read.

Rural Telephone Companies—St. Leonards, $1,900, to Wood, Gundy & Co.; Raymore, $1,000, to Bond & Debenture Corporation of Canada, Winnipeg; Yeomans, $800, to City of Weyburn; McDonald Hills, $1,200, to M. E. Ramsay; Luton, $1,400, to Wood, Gundy & Company; Alsask, $3,800, to Harris & Read & Company.

Cities—City of Regina, $36,000, to Wood, Gundy & Co.; City of Moose Jaw, $100,000 to sinking fund trustees.

Town of Alsask—$3,250, to C. H. Burgess & Co.

BOND SALES

$7,700 Asbestos at 75; $5,000 Can. Car at 93; $17,600 Can. Cement at 98; $5,500 Can. Locomotive at 90⅝ to 90; $1,100 Cedar Rapids at 87; $3,000 Dom. Textile "B" at 97; $1,000 Dom. Cotton at 98; $5,000 Dom. Iron at 98 to 87; $1,000 Elect. Development at 87; $3,000 Lake of Woods at 99½; $1,000 Montreal Power at 87; $1,000 Lyall Cons. at 92; $3,200 Montreal Trams. debs. at 72¾; $2,500 N.S. Steel at 83; $2,000 Ogilvie "A" at 101; $5,000 Penmans at 87½; $1,000 Riordon at 95; $1,500 Spanish River at 85½; $2,100 Quebec Rly. at 60¼ to 60; $60,300 Wayagamack at 82½ to 81⅛; $13,900 War Loan (1925) at 96½ to 95⅝; $13,400 War Loan (1931) at 96¾ to 95¼; $57,100 War Loan (1937) at 97¾ to 96¾; $327,700 Victory Loan (1922) at 101¼ to 98½; $94,850 Victory Loan (1927) at 101¼ to 99¾; $195,505 Victory Loan (1937) at 103 to 101½.

LETHBRIDGE'S GOOD SHOWING IN COLLECTIONS

Took in 112 Per Cent. of the Tax Levy Last Year

FORCING PAYMENT

City Made the Best Showing in Getting in Its Taxes For Any Year Since 1913

LETHBRIDGE.—That a little pressure, judiciously applied, can work wonders in tax collection has been learned during the past year by the city council, which, as a result of extraordinary efforts made during the year, learned recently that the tax collection last year was 112 per cent. of the 1918 levy. This does not mean that 112 per cent. of the taxes levied during 1918 were paid during the year, but sufficient payments of tax arrears were made to bring the total to that percentage of the year's levy.

The figures were placed before the council at a special meeting. They showed the following details of the year's collections:

1914 and prior	$44,904.60
1915	58,178.24
1916	29,089.21
1917	36,063.83
1918	298,418.43
Total	$466,654.31
City hall taxes	$1,215.33
Utilities taxes	23,580.09
Total	$491,449.73
Tax levy for 1918	$440,201.00
1918 taxes paid	333,213

Percentage of 1918 taxes paid, 74 per cent.

Pressure Being Exerted

The above figures will show that during the year arrears amounting to $168,236 were paid as a result of the tax sale and the threat of court proceedings.

"Don't let people get too rosy an idea of tax payments though," warned Mayor Hardie. "Those figures do not mean that the arrears have all been collected. They simply show that many people who were able to pay have been forced to do so. But we have a lot of vacant property on which there are arrears yet. Much of this has come to the city, and we may have to hold it until such time as Lethbridge's population grows to a point which there is a demand for this property. We must continue to exert every effort to collect arrears. One way we have adopted is to allow people to escape a tax sale by paying their current taxes each year and 10 per cent. of their arrears until the latter are cleaned up."

The commissioners, however, are greatly encouraged by the showing last year, which is the best since 1913. If the same record can be made for the next five years Lethbridge will be on a sound financial footing and a reduction of the mill rate may be possible.

Suing For Taxes Now

That the time for relaxing the pressure is not past is shown by the fact that City Solicitor Ball has already entered suit to recover tax arrears through the courts in a number of cases, and many more actions will be started immediately. A start is being made at the head of the tax roll and will be continued until the bottom is reached.

August was the big month for tax collections last year, when $198,000 were paid in.

Taxes paid, month by month, were:

January	$8,718.65
February	5,983.10
March	43,110.32
April	34,988.59
May	9,930.92
June	36,684.18
July	2,380.74
August	198,428.31
September	38,651.71
October	16,108.11
November	39,081.47
December	32,588.21
Total	$466,654.31

WANTS MORE REVENUE

Montreal To Ask For Some Provincial Succession Dues

As nearly a million dollars in succession dues were collected in Montreal by the Provincial Government in 1915-16, it was proposed at a meeting of the city council this week and resolved, that the Administrative Commission be requested to confer with the Quebec authorities with the object of securing a part of this revenue for five years for the City of Montreal. The motion reads as follows:

"That the Administrative Commission be requested to consider the advisability of approaching the Prime Minister of this province and ask him whether the Provincial Government would be willing to give to the City of Montreal, for the next five years, a portion of the succession dues collected in Montreal; 77 per cent. of the provincial revenue being collected in the said city.

"This council is of opinion that the city which, for the years 1915-1916, for instance, contributed a share of $916,182 out of the amount of $1,375,800, which the province collected in this connection, should receive a large portion of said succession duties, which would help it to pay its debts and would only deprive the provincial government of a small sum, if compared with the $9,646,982 which it collected during the years 1915 and 1916, as follows:

Federal subsidies	$2,027,903
Judicial stamps	456,600
Montreal share	360,000
Registration fees	190,507
Corporation fees	1,034,564
Montreal share	948,400
Succession dues	1,375,800
Montreal share	916,182
Automobile taxes	2,460,000

besides other taxes not mentioned here; the above figures are for the years 1915 and 1916, those for 1917-1918 not being compiled yet. This council believes that the city is not asking too much when requesting that some of the taxes collected within the city be left to the said city, in order that the city may have additional revenue and be in a position to relieve to a certain extent the property owners in reducing taxes on immovables."

VANCOUVER BY-LAWS

Ratepayers Last Week Defeated Several Money Proposals

Vancouver electors delivered an ultimatum to the new city council in the form of the ballot when on Thursday of last week they turned down all but one of the seven money by-laws voted upon, thereby signifying that they were carrying all of the burden of taxation which they could stand at present. Four of the measures concerned improvements to the educational system and of these all but one, which provided for the transference of an unexpended balance of $66,000 from another account, were rejected. The three by-laws called for an expenditure of $414,000 for new schools, $50,000 for school sites and $80,000 for school equipment. The other by-laws defeated included $300,000 for the acquisition of the Seymour Creek watershed, a $200,000 road by-law and one of $750,000 for the erection of a Victory Hall. The latter advocated by the mayor was intended for the purpose of a new city hall combined with a concert hall and assembly place suitable for the growing needs of the city.

BRITISH REVENUES

LONDON.—Revenues of the United Kingdom for the past nine months aggregated £509,165,805, an increase of £108,515,502 compared with the corresponding period of 1917, according to a statement from the British Treasury to-day.

The total expenditures for the same period chargeable against revenues were £2,049,993,606, compared with £2,029,435,062 for the same period last year. Interest and other charges on the war debt amounted to £215,410,379, compared with £144,578,657 for the same months in 1917. Expenditures under the heading "supply services" totaled £1,813,908,302, compared with £1,862,404,425 a year ago.

BY-LAWS TO BE VOTED ON.

Jan. 18, Salmon Arm, B.C.—$4,000 in 5-instalment, 6 per cent. debentures for the purchase of a steam roller and rock crusher; $7,500 in 20-instalment, 6 per cent. debentures for purchase of real property for exhibition grounds.

Jan. 18, Summerland, B.C.—$1,500 in 8 per cent. 5-year serial debentures for erection of building for manual training and domestic science.

DEBENTURE NOTES

Victoria, B.C.—On Thursday last ratepayers voted on a by-law authorizing the borrowing of $38,000 by means of the issue and sale of 5 per cent. 20-instalment bonds for the purpose of purchasing certain lands for a cemetery.

North Vancouver—At the recent municipal election ratepayers voted on the offer of Peter Larsen to sell the city 425 feet of waterfront for $85,000, the same to be paid with 6 per cent. 20-year city bonds. Ratepayers will also vote on an offer from the North Vancouver Land and Improvement Co. to sell 50 feet waterfront for $20,000 or 100 feet for $35,000, payment to be made in city bonds.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date.	Place and Purpose.	Purchaser.	Rate.	Term.	Amount.	Price.	Basis.
Jan. 4	Regina, Sask.	Wood, Gundy & Co.	....	....	$36,000	....	....
Jan. 4	Moose Jaw, Sask.	Sinking Fund Trustees	....	....	100,000	....	....
Jan. 4	Alsask, Sask.	C. H. Burgess & Co.	....	....	3,250	....	....
Jan. 4	Eston, Sask.	W. L. McKinnon & Co.	....	....	1,300	....	....
Jan. 4	Heart's Hill R. M., Sask.	Nay & James, Regina	....	....	5,769	....	....
Jan. 4	Kingsley R. M., Sask.	Nay & James, Regina	....	....	4,487	....	....
Jan. 4	Saskatchewan Schools	Various (see list above)	....	....	18,950	....	....
Jan. 4	Saskatchewan Telephones	Various (see list above)	....	....	10,100	....	....
Jan. 11	Quebec, Province	A. E. Ames & Co.	4½%	1946	1,625,000	....	....
Jan. 14	Alberta, Province	Ames & Co.; Wood, Gundy & Co.	6%	20-yr.	1,000,000	99.14	5.56%
Jan. 14	Etobicoke Township	Brent, Noxon & Co.	6%	10-ins.	5,000	100.25	....
Jan. 14	Collingwood, Ont.	C. H. Burgess & Co.	6%	10-yr.	21,400	....	....

Attractive Investment Opportunities

Victory Loan	5½%	1922
Victory Loan	5½%	1933
Province of Ontario	6%	1923
" Quebec	4½%	1946
" Alberta (Guaranteed)	4½%	1944
" Saskatchewan	5¾%	1934
" British Columbia	4½%	1925
Greater Winnipeg Water District	6%	1924

Particulars on request.

W. A. MACKENZIE & CO. Government and Municipal Bonds
TORONTO - CANADA

I own and offer on a basis of 6% and accrued interest: $100,000.00—5½% Serial Debentures maturing from 1936 to 1957; issued by the Syndics of the Parish of St. Cyrille of Normandin, in the County of Lake St. John, Que.; for the construction of a Church.

Capital and interest payable at La Banque Nationale, Roberval, Quebec and Montreal.

NAP. G. KIROUAC
BOND DEALER
Union Bank Building, - QUEBEC

SHOULD YOU KEEP VICTORY BONDS?

Do you know how bonds of other nations have advanced during and after the wars of the past hundred years? If you do not, this knowledge will interest you. We have prepared a pamphlet giving this information, and will be glad to send you a copy. Write for one to-day.

Address Dept. A.

C. H. BURGESS & CO.
Bank of Hamilton Building
TORONTO

THE UNION BANK OF AUSTRALIA, LTD.

Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED £6,000,000

Paid-up Capital £2,000,000
Res. Fd. £2,025,000 Together £4,025,000
Res. Liab. of Proprietors £4,000,000
Total Capital and Reserve £8,025,000

Head Office: 71 Cornhill, London, E.C. 3

The Bank Has 181 Branches, viz:

In Victoria	41
In New South Wales	39
In Queensland	19
In South Australia	14
In Western Australia	21
In Tasmania	3
And in NEW ZEALAND	44

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued—available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

STOCKS WANTED
Dominion Sugar. Home Bank.
Sterling Bank.
Trusts & Guarantee.
Alberta Pacific Grain Com.
J. E. CARTER,
Investment Broker,
Guelph, Ont.

How Much Can You Save By Scientific Office Management?

WITH an office force of 2 to 9 persons you may save 10 per cent. of your time. With a staff of 10 to 24 the saving might be 15 per cent. of your pay-roll, and with larger staffs still larger savings can be effected. From $20 a week to more than $7,000 a year represents the saving effected for various firms by methods which you can find fully detailed and illustrated in

W. H. LEFFINGWELL'S
new, complete
REPORT ON SCIENTIFIC OFFICE MANAGEMENT

The Report tells:
—How to divide and lay out office work.
—How to arrange departments.
—How to keep an accurate stock record.
—How to install a proper desk system.
—How one firm doubled output of typists.
—How to supervise the work of the office
—How to set tasks.
—How to gain a definite knowledge of the duties of each employee.
—How to put the work through on time.
—How to divide routine work.
—How to keep credit information.
—How the Ford Company develops responsibility.
—What filing system is best.

Some of these "hows" are surely worth dollars to you. They form only a fraction of what you get in the complete Report on Scientific Office Management, which costs $10.00. And all of the ideas, methods and systems revealed aim at one definite result—to place your office on a lower-cost, more efficient basis.

Order the above, and send for the list "Books for Better Business" from

McAinsh & Co., Ltd.
The Book-House for Business Builders
4 to 12 College St., Toronto

Route Your Shipments CANADIAN NATIONAL

INVESTORS' INSURANCE NOTES

FINE SHOWING BY CANADIAN LIFE COMPANIES

Cost of War Met Almost Entirely From Increased Earnings

ABNORMAL MORTALITY

War and "Flu" Losses of Canadian Companies Aggregated Twenty-two Millions of Dollars

By J. F. WESTON
Managing Director, Imperial Life
(Portion of address at recent annual meeting)

The signing of the armistice on the 11th of November last was a matter of special significance to those who were charged with any responsibility in the conduct of life insurance. They felt a peculiar sense of relief when the signal "Cease fire" silenced the guns, which for over four years and a quarter, with ever increasing intensity, had spread devastation and taken their daily toll of human life.

In previous European wars, relatively small armies, consisting mainly of professional soldiers, had been engaged, but in this the whole man power of nations was involved, and men from every walk of life were suddenly exposed to the hazard of engaging in the most destructive war of all time. This, of necessity, touched the classes of insured lives, until the companies found themselves with large percentages of their policyholders exposed to this extra risk—a risk which had been entirely unprovided for in their mortality calculations. And so far as the companies on this continent were concerned, the terms of their contracts in most cases, precluded the charging of any extra premium for military services on policies in force at the outbreak of the war.

No Extra Premiums Received

After that date very little business was placed on the lives of soldiers at the extra premium which it was found necessary to charge, so that the bulk of war claims which have been paid in Canada have been under policies on which no extra premiums were received.

There was paid in Canada up to the close of 1917 war claims amounting to nearly $12,500,000. No report for the last year is yet available, but the claims for that year will probably bring the total for the period of the war to not less than sixteen millions of dollars. The percentages which war claims bore to the total death claims paid in Canada were: in 1915, 16 per cent.; in 1916, 29 per cent.; and in 1917, 33 per cent. At the beginning of the war no one could have contemplated such an additional strain placed on the companies and have foreseen their ability to withstand it without at least a greater shrinkage in dividends paid to policyholders than has been found necessary in the results. In Europe, the companies there, with larger percentages of lives exposed, were, under the terms of their policies, in receipt of extra premiums on the mass of the war risk they carried. But as against that, they suffered a much greater loss in assets than we, through the relatively greater shrinkage in the value of securities held by them, as contrasted with the holdings of our companies here. With them a number of companies found it necessary to pass their dividends the first year of the war and were followed later by others; some of the weaker companies merged with the stronger; but, on the whole, the companies of the Entente countries have stood the strain and have been fully able to meet the extraordinary claims that have been made upon them.

Showing of Canadian Companies

In Canada our companies have had even a better experience. Small or large, they have met their claims and maintained their identity. The remarkable feature in their experience is that for the first three years of the war the pre-war rate of dividends to policyholders was generally maintained and any cut which it has been found necessary to make since then has, in the aggregate, amounted to only a small fraction of the $16,000,000 war claims which have been paid; so that the cost of the war, apart from any effect on contingency funds which the companies may have held, has been met almost entirely from the increased earnings of the companies over and above the amounts it has taken to maintain their dividends to policyholders on almost a pre-war scale. This will be regarded by Canadian policyholders as a very small contribution which they have made to enable the companies to pay the benefits which they have to the dependents of their fellow policyholders who fell in fighting our battles for us.

Effect of Influenza

With the closing days of the war the recent epidemic of influenza began to spread throughout the world, with more fatal consequences than any epidemic of which we have a history. Taking the experience of eight Canadian companies and, by pro-rating the amount of influenza claims they have had on the basis of business in force, the amount of these claims in Canada has been since the first of October not less than six millions of dollars. Fortunately, the epidemic has abated and we hope it will soon have run its course. Here again it will be demonstrated that the institution of life insurance will be found stable and strong to withstand this added strain. To have withstood the abnormal mortality of twenty-two millions of dollars which has been added to ordinary claims as a result of the war and influenza surely is an extraordinary test and justifies the confidence which the Canadian people have placed in the institution.

The outstanding lesson which the experience of the last five years teaches us is the importance of charging adequate rates and the maintenance of a strong contingency fund to absorb the shock of unexpected mortality or material shrinkage in the value of securities.

UNDERWRITERS' OFFICERS

Nova Scotia Insurance Men Elect a New Executive

At the annual meeting of the Nova Scotia Life Underwriters the following officers were elected: President, J. W. McCarthy, London Life Insurance Co.; Vice-president, F. L. Cox, Canada Life Insurance Co.; Secretary-treasurer, J. C. Stredder, Great West Life Insurance Co.; Executive members: Messrs. W. R. C. Hewat, Great West Life; J. T. Wilson, Canada Life Insurance Co,; J. L. McDuff, Mutual Life of Canada; H. S. Crosby, North American Life; F. C. Taylor, Equitable Life.

INFLUENZA DEATHS

Astounding Figures Are Issued in the United States

From September 21 to December 14, in 46 cities of the United States the census bureau reported 102,357 deaths from the influenza. The ratio of deaths to the total population is running about five to the thousand. The insurance companies estimate that 500,000 people have died from influenza and pneumonia in the United States up to the first of the year.

In this connection Vice-President Thomas A. Buckner, of the New York Life, says:

"The epidemic of influenza is still on. It is regarded as the world's greatest plague since the Black Death. It has unquestionably helped many to make up their minds to insure who otherwise might have waited. The London "Times'" medical correspondent says: 'It seems reasonable to believe that throughout the world about 6,000,000 persons perished through influenza and pneumonia in the last three months.

"'It has been estimated that the war caused the death of 20,000,000 persons in four and a half years. Thus, the correspondent points out, influenza has proved itself five times deadlier than war, because in the same period at its epidemic rate, influenza would have killed 100,000,000. Never since the Black Death has such a plague swept over the world.' I don't need to tell you of the part insurance plays in the alleviation of its devastation.

"Fortunately money among the people seems plentiful. United States savings bank deposits increased, according to the Postmaster-General's report, $16,516.803 during the year, raising the total to $148,471,499. And R. G. Dun states that November failures numbered only 570 compared with 660 for October, 981 for November, 1917, and 1815 for November, 1914."

ENTERS CANADA

The Scottish Metropolitan Assurance Co. Limited, a subsidiary of the London & Lancashire Life and General Assurance Association, is extending its operations to Canada, and has recently been licensed to transact fire and casualty insurance in all departments throughout the Dominion.

J. Upton Fletcher, for the past two or three years accident superintendent of the Montreal branch of the London & Lancashire Guarantee & Accident Company, has resigned that position to assume the management for Canada of the Scottish Metropolitan. Mr. Fletcher come from England several years ago to take a position with the Guardian Accident & Guarantee Company, and has considerable casualty experience. The personnel of the fire department is not yet announced.

NATIONAL LIFE MOVES FORWARD CONSERVATIVELY

Is Able to Report Larger Cash Balance than in 1917

SURPLUS ALSO GROWS

Rate of Interest Being Earned on Invested Assets is Now Increasing From Year to Year

It is evident from an examination of the annual statement of the National Life Assurance Co., presented at the annual meeting on Wednesday of this week that the company during 1918 has been pursuing the cautious policy adopted in 1917 and has not attempted, in the face of heavy death claims, to burden itself with a large volume of new business. The exact figure of new assurance for which policies were issued is not given but, judging from the relative amount of new assurance received in 1917 and 1918, viz. $5,000,000 and $4,500,000, the new business taken on was somewhat less last year than the previous year and considerably less than in 1916. Adherence to this conservative policy has made itself felt all through the affairs of the company and has enabled it to present a statement showing progress in every department.

Assurance in Force

Despite the fact that less new assurance was received, there was a greater growth in assurance in force in 1918 than there was in 1917 which, considering the heavier mortality, goes to show that the business of the company has been much better conserved. The gain in assurance in force during 1917 amounted to $1,448,669, while in 1918 it was $1,505,245, the total of assurance in force being now $24,192,062.

The company's cash receipts now exceed one million dollars per annum. From first year premiums $111,356 was received, as compared with $139,966 in 1917. Renewal premiums amounted to $684,041, as against $621,067, while receipts on account of interest, rents, etc., showed a substantial growth from $181,393 to $219,540 during the year.

Another illustration of the extent to which the influenza epidemic has increased death claims is shown by the experience of the National Life. The mortality for the year was 110 per cent. of the expected. Of this the influenza accounted for 55 per cent., the war 24 per cent., and ordinary claims 31 per cent. The war and influenza claims combined amounted to $150,000. Altogether there was disbursed to policyholders in death claims, matured endowments, cash surrenders, profits, etc., the sum of $267,915 or nearly $23,000 more than in 1917. Notwithstanding these heavier payments on policyholders' account, the increased receipts, coupled with economies in management, enabled the management to show an enlarged balance, the 1917 figure of $373,682, being exceeded by about $63,000.

The Balance Sheet

Assets at the end of 1918 were valued at $4,228,406, a gain for the year of $447,142. As usual all the company's funds have been invested in bonds and it now owns $552,507 Dominion of Canada bonds and $2,609,086 provincial, city, town, county and school district bonds. An examination of these securities has been made by R. C. Matthews & Co., and Brent, Noxon & Co., and the approval of both these houses as to the excellence of the selection is appended to the annual report. It is interesting to note that, while the interest rate earned by companies with more diversified investments has been on the decline of recent years, that of the National Life has been rising. In 1916 it was 5.19 per cent., in 1917, 5.44 per cent., and in 1918, 5.61 per cent.

An amount of $353,926 was set aside for reserves, which are maintained on a 3½ per cent. basis; extra reserves for 3 per cent. guaranteed policies were enlarged to $88,998; provision was made for claims awaiting proof and a special contingency reserve of $20,000 was set aside. The sum of $180,000, being instalments of Victory Loan not yet due, was charged as a liability. Allowing for all these charges, a surplus over all liabilities and paid-up capital of $131,964 is shown, which represents a gain of $31,949,—a very satisfactory outcome of a trying year's business.

"The Dawn of a To-morrow"

The war having ended so happily it is believed that a better world will rise out of the ruin—more of beneficence, equality, fraternity and sympathy with "the other fellow" will prevail in the great "to-morrow" that is dawning. Life insurance embodies these great conceptions and will be one of the big movements that "will come into its own." Now is the time to make life insurance your life work. The war has given the institution of life insurance a great impulse and it is appreciated to-day as never before. It is calling for men of the highest abilities and the finest character. Sell life insurance: and sell mutual life insurance for the mutual system is popular because it is based upon strictly democratic principles. If not as an agent then as a member you will be welcomed into our organization—

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

SOLID GROWTH

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

Assurances in Force have more than doubled in the past seven years, and have more than trebled in the past eleven years.

To-day they exceed by far those of any Canadian life assurance company.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,387,634.14

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED.

The Independent Order of Foresters

Furnishes A Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Benefits Paid 58 Million Dollars

FRED J. DARCH, Secretary
W. H. HUNTER, President
S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - TORONTO

5½ NTEREST RETURN

INVEST YOUR SAVINGS
In a 5½% DEBENTURE of
The Great West Permanent Loan Co.

SECURITY

Paid-up Capital	$2,412,566.31
Reserves	756,580.13
Assets	7,168,537.29

HEAD OFFICE, WINNIPEG
BRANCHES: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

How can Safety be assured?

Many a man, convinced that he should no longer put off making a will, has delayed because he found difficulty in choosing an executor satisfactory to him.

Appoint a trust company your executor. Individuals move away, fall ill or die. A trust company is always at hand to discharge an executor's many duties.

Write for booklets.

National Trust Company
Limited

CAPITAL PAID-UP, $1,500,000 RESERVE, $1,500,000
18-22 KING STREET EAST, TORONTO

THORNE, MULHOLLAND, HOWSON & McPHERSON
INDUSTRIAL ADVISORS
Specialists in
ORGANIZATION, PRODUCTION, ACCOUNTING AND COSTS, SALES DEVELOPMENT, STANDARDIZATION
BANK OF HAMILTON BUILDING - TORONTO, CANADA

CANADIAN ORDER OF CHOSEN FRIENDS
HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor.
W. F. Montague, Grand Recorder.
W. F. Campbell, [illegible] Grand Organizer.
W. H. Woods, M.D., Grand Medical Ex
HAMILTON - ONTARIO

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance.
HEAD OFFICE - - LONDON
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets, over - - $3,500,000.00
Losses paid since organization, over - $43,000,000.00

Western Assurance Company
Fire, Marine, Explosion and Automobile Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - $6,000,000.00
Losses paid since organization over - - $70,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

SOLICITORS

TORONTO

BLAKE, LASH, ANGLIN & CASSEL
Barristers, Solicitors, Etc.
Canadian Bank of Commerce Building,
Toronto
Cable Address: Blakes, Toronto.
General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

CHARTERED ACCOUNTANTS

EDMONTON, ALTA.
Baldwin, Dow & Bowman, Jackson Block.

For the well groomed man
TEXEND BRACES
Finer than the imported
The Dominion Suspender Co. Limited
NIAGARA FALLS, ONT.

ESTABLISHED 1849
BRADSTREET'S
Offices Throughout the Civilized World
We Present a Record---Not a Prospectus.
Reputation gained by years of vigorous, conscientious and successful work.
Thomas C. Irving
General Manager Western Canada
TORONTO

W. F. Morgan-Dean Geo. R. Harris
WE OFFER
Whalen Pulp & Paper First Mortgage Bonds, due 1st May, 1920, to yield 6¾%.
Morgan-Dean, Harris & Co.
Investment Bankers
Bank of Hamilton Bldg., Hamilton, Ont.

5% AND ABSOLUTE SECURITY
Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.
The Empire Loan Company
Winnipeg, Man.

January 18, 191
IAN ORDER OF N FRIENDS
HAMILTON, CANADA
hes life insurance to members b
andard of the Government
ueral benefits are also given
nted to Local Councils outside
nfined to this healthful Northern
small and rates proportionately
already paid over five million
disability claims, and over five
rs in sick and funeral benefits.
ils in Canada. If there is not
e should be. For full informa-
following officers:
P. W. F. Montague, Grand Recorder
W. H. Woods, M.D. Grand Medical Ex.
N - ONTARIO

ca Assurance Co.
Hail and Automobile
urance.
- - LONDON
IRECTORS: W. B.
t and General Man-
Aird, Robert Bicker-
Lt.-Col. Henry Brock,
London, Eng.), H. C.
ulton (New York), D.
y, John Hoskin, K.C.,
, K.C., LL.D., Geo. A.
Lt.-Col. the Hon.
Brig.-Gen. Sir Henry
E. R. Wood.
- $3,500,000.00
organiza-
- $43,000,000.00

urance Company
losion and Automobile
urance.
rated 1851
, TORONTO, ONT.
- - $6,000,000.00
organiza-
- $70,000,000.00
IRECTORS: W. B.
t; Sir John Aird,
ke (Montreal), Lt.-
Alfred Cooper (Lon-
Cox, John H. Fulton
B. Hanna, E. Hay,
, LL.D., Z. A. Lash,
A. Morrow, O.B.E.,
n Frederic Nicholls,
enry Pellatt, C.V.O.,

CITORS
NTO
NGLIN & CASSEL
Solicitors, Etc.
Commerce Building,
ronto
s, Toronto.
r the Canadian Bank
onal Trust Company,

ACCOUNTANTS
, ALTA.
wman, Jackson Block.

vell
l man.
END
CES
than
ported
Suspender Co.
ALLS, ONT.

ED 1849
REET'S
e Civilized World
Record---
pectus.
by years of
entious and
work.
. Irving
Vestern Canada
TO

Geo. R. Harris
FER
& Paper
Bonds,
0, to yield
arris & Co.
nkers
Hamilton, Ont.

SOLUTE
TY
ns, Societies,
s have found
active invest-
e years.
Company
an.

TTOMS ARE NOT VAILABLE FOR EXPORT TRADE

ips Only For Agricultural Equipment and Products

ANUFACTURERS' SIDE

ack of Shipping Accommoda-ion a Serious Matter in Relation to Development of Foreign Markets

Canadian Exporter's Views on New British Shipping Regulations

Canada is looked upon as the granry of the British Empire; our "agriltural machinery and wind-mills," y be one of our largest and most dtable exports, but when a manuturer of any other exportable comdity, is met with the statement that British Admiralty will only pert Canadian bottoms to load for exrt grain, agricultural machinery and ind-mills, it rather upsets his opinion the way the government is encouring Canadian manufacturers to e the world's market.

Before the war, Canadian-made anos and organs had won their way, their merits into all parts of the ilized world. Our sister Dominions New Zealand and Australia bought ndreds of our instruments yearly. he homes of Boers in South Africa ere adorned with Canadian pianos, d their churches with Canadian rgans. Even on the great steppes of ussia, in the homes of the man proserous, could be found musical inruments of our manufacturers. olland received many hundreds, and en in Germany, large importers d standing orders for hundreds of anadian organs. In fact the export the product of the Canadian facories was by far the greater half of eir business. The war cut down the emand by more than sixty per cent. some cases.

Not Even One Sample

Now—by their merits—Canadian rgans and pianos have won these orld-wide markets. The cessation of ostilities should, one would think, be he signal for manufacturers to again laim their markets in foreign counies—and that is just what they wish do; but what to do we find? One anufacturer tried for three solid onths to get the government's perission to have cargo space on a boat eaving Vancouver for New Zealand, or ONE SAMPLE organ. After aiting and working for three months, y finally getting the ear of Ottawa, e managed to get one shipped on hich he paid about four times the ormal freight rate.

To read the current reports, one ight suppose that government agents ere toiling like live wires in every arket abroad to try and corral for anada her share of all kinds of busiess. An aggressive sales campaign s usually thought of, as an organizaion of salesmen in the field selling heir product. What have we found n the musical instrument trade? We nd representatives in Canada from he Antipodes, and South Africa with large orders for our instruments, endeavoring in every way to get deliveries made from Canadian ports in Canadian bottoms, are all to no purpose. As organs and pianos are neither grain, agricultural instruments nor wind-mills, they find that "there's nothing doing."

In the meantime, they can go across to the American manufacturers and get what they want, delivered when they want.

Canadian manufacturers have built organs and pianos, excellent as to appearance, unsurpassed as to tone, quality and competition as to price; they have studied climatic conditions in all markets—have even made a special instrument of aluminum and brass—in glueless cases that withstand even the Indian monsoons—but they must contentedly sit back now and watch the American manufacturers take their market from under their nose, because the products or this creditable Canadian industry do not chance to be either grain, agricultural instruments or wind-mills. And we are expecting about forty of our expert mechanics back from the front very shortly.

EXPRESS RATES HEARING

Opposition to Proposals Registered at Toronto

The Railway Commission sat at Toronto on Monday and heard witnesses in opposition to the proposals of the Canadian express companies for increasing their rates. Representatives of the Manufacturers' Association and of some of the larger shippers were heard, while protests were also lodged against the proposed changing of the delivery system to a zone basis in relation to population.

There is no definite opposition to the application of the companies so long as a reasonable increase is involved, but not only is there objection to the advances proposed themselves, but also to the rearrangement of schedules, a change which will involve a general readjustment of express tariffs and will mean rates on some commodities, including certain perishable foodstuffs, which will border on the prohibitive.

On the part of those who are following the situation closely there is a conviction that the companies will be content to meet shippers on open ground and agree to an advance on a percentage basis over the existing rates. If the percentage basis can be agreed upon the air will be cleared considerably and the settlement of the actual amount of advance will then be comparatively simple.

LARGER PROFITS OF MONTREAL TRUST

Demand For Safety Deposit Boxes a Factor in the Better Earnings

The Montreal Trust Company for the past year showed the largest profits in its history, the total amounting to $168,041. To this was added the sum of $67,511, at the credit of profit and loss account at the end of the year, making a total of $235,552 available for distribution, after providing for expenses of management, accrued interest, and all extra charges. From the balance there were deducted $80,000 as dividends at the rate of 8 per cent.; taxes on war account, $6,721; Montreal General Hospital, $500; transferred to Reserve Account, $50,000, and $20,000 transferred to Contingent Account, a total of $157,221, leaving a balance to carry forward of $78,331. This is an increase over last year of $10,820, with $70,000 more at the credit of the Reserve and Contingent Accounts.

The Montreal Safe Deposit Company, which is owned by the Montreal Trust Company, contributed a larger share of the profits this year owing to the greater demand for safety deposit boxes that arose out of the investments in Victory bonds. THE FINANCIAL POST understands that all the facilities at the disposal of the company have been taken up, and that a number of new ones are on order.

The mortgage business of the company, it is learned, showed a decline during the year, which was inevitable. The funds of clients that in normal times have been available for mortgages were in large part invested in Victory bonds. The estate business of the company showed a very gratifying increase, and the prospects for this are very promising.

The profit and loss account stands as follows, the exact figures for 1917 not being made public:

PROFIT AND LOSS

Net profits		$168,041
Carried forward		67,511
Total available		$235,552
Deduct—		
Dividends, 8%	$80,000	
War taxes	6,721	
Res. Acc't.	50,000	
Conting. Acc't.	20,000	
Mont. Gen. Hos.	500	
	$157,221	
Bal. forward		$78,331

The directors elected for the ensuing year are as follows: President, Sir Herbert S. Holt; vice-president, A. J. Brown, K.C.; executive Committee, Sir Herbert S. Holt, Messrs. A. J. Brown, E. L. Pease, C. E. Neill, George Caverhill and F. G. Donaldson, together with Robert Adair, J. E. Aldred, C. A. Crosbie, Hon. N. Curry, G. H. Duggan, Hon. R. Dendurand, Hon. W. J. Hanna, F P. Jones, William Molson Macpherson, Hugh Paton, James Redmond, F. W. Ross. Hon. W. B. Ross, A. Haig Sims, and Stuart Strathy.

JOINS ROYAL TRUST

Howard G. Kelley, G.T.R. President, Elected a Director

In succession to E. J. Chamberlin, former president of the Grand Trunk Railway Company, Howard G. Kelley, president, was elected this week as a director of the Royal Trust Company. Owing to his long absences from Montreal Mr. Chamberlin felt it would be better to be relieved of his duties in connection with the company.

DIVIDEND PAYMENTS

Company	Date	Rate	Record
Maple Leaf Mill., com.	Jan. 18	2½+1%	Jan. 3
Do., pref.	Jan. 18	1¾%	Jan. 3
Nipissing Mines	Jan. 20	5+5%	Dec. 31
Toronto Paper	Jan. 21	3%	
West'house Elec., com.	Jan. 31	1¾%	Dec. 31
Bank Nationale	Jan. 31	2¼%	....
Can. Southern	Feb. 1	1½%	Dec. 31
Steel of Can., com.	Feb. 1	1½%	Jan. 10
Do., pref.	Feb. 1	1¾%	Jan. 10
Penmans, pref.	Feb. 1	1½%	Jan. 21
Merchants Bank	Feb. 1	2¾%	Jan. 15
Coniagas Mines	Feb. 1	2½%	....
Dom. Steel Corp., pref.	Feb. 1	1½%	Jan. 15
Dom. Coal, pref.	Feb. 1	1½%	Jan. 11
St. Law. Flour, com.	Feb. 1	1½+1%	Jan. 18
Do., pref.	Feb. 1	1¾%	Jan. 18
Intercolonial Coal, com.	Feb. 5	3½%	Jan. 20
Do., pref.	Feb. 5	3½%	Jan. 20
Brompton Pulp	Feb. 7	1½%	Jan. 31
Penmans, com.	Feb. 15	1½%	Feb. 5
Kaministiquia Pr.	Feb. 15	2%	Jan. 31
Can. Converters	Feb. 15	1¼%	Jan. 31
Sterling Bank	Feb. 15	1½%	....
Dominion Bridge	Feb. 15	2%	Jan. 31
Kerr Lake	Mar. 15	25c	Mar. 1

UNION BANK OF CANADA

54th Annual Statement—30th November, 1918

Shareholders Approve Bylaw Increasing Authorized Capitalization to $15,000,000

PAID UP CAPITAL TO BE INCREASED TO $8,000,000

The Fifty-fourth Annual Meeting of the Shareholders of the Union Bank of Canada was held at the Head Office of the Bank, in the City of Winnipeg, at twelve noon, on Wednesday, the 8th instant.

The President, MR. JOHN GALT, in the chair.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report showing the result of the business of the Bank for the year ending November 30th, 1918.

During the year, owing to the depletion of the staff, caused by enlistment for military service, the following offices were closed:

Coatsworth, Eastons Corners and Toledo, in the Province of Ontario.

Adanac, Guernsey, Jansen, Major, Netherhill and Salvador, in the Province of Saskatchewan, of which all except Adanac have since been reopened.

The number of Branches and Agencies in operation on November 30th, 1918, was 299.

The usual inspection of all Branches and Agencies has been made.

Mr. S. E. Elkin, M.P., of St. John, N.B., has been elected to fill a vacancy on the Board of Directors.

JOHN GALT,
President.

PROFIT AND LOSS ACCOUNT

Balance at credit of account, 30th November, 1917	$106,624.34	
Net profits, for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to	824,174.56	
		$930,798.90
Which has been applied as follows:		
Dividend No. 124, 2¼ per cent., paid 1st March, 1918	$112,500.00	
Dividend No. 125, 2¼ per cent., paid 1st June, 1918	112,500.00	
Dividend No. 126, 2¼ per cent., paid 3rd September, 1918	112,500.00	
Dividend No. 127, 2¼ per cent., payable 2nd December, 1918	112,500.00	
Transferred to Rest Account	200,000.00	
Written off Bank premises Account	75,000.00	
Contribution to Officers' Pension Fund	10,000.00	
Contribution to Halifax Relief Fund	5,000.00	
Contribution to Canadian Red Cross, Manitoba Branch	5,000.00	
Contribution to Young Men's Christian Association Overseas	3,000.00	
Contribution to Salvation Army Overseas	2,000.00	
Contribution to Belgian Relief Fund	1,000.00	
Contribution to Knights of Columbus, Army Hut Appeal	1,000.00	
Contribution to Navy League of Canada, Sailors' Week	2,500.00	
War Tax on Bank Note Circulation to 30th November, 1918	50,000.00	
Balance of Profits carried forward	126,298.90	
		$930,798.90

General Statement of Liabilities and Assets

AS ON 30TH NOVEMBER, 1918

LIABILITIES

Capital Stock		$ 5,000,000.00
Rest Account	$ 3,600,000.00	
Balance of Profit and Loss Account carried forward	126,298.90	
	3,726,298.90	
Unclaimed Dividends	10,261.43	
Dividend No. 127, payable 2nd December, 1918	112,500.00	
		3,849,060.33
		$ 8,849,060.33
Notes of the Bank in circulation	12,134,649.00	
Deposits not bearing interest	58,805,207.86	
Deposits bearing interest	68,437,490.47	
Balances due to other Banks in Canada	424,601.94	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	1,751,177.75	
		141,553,127.02
Acceptances under Letters of Credit		2,706,467.06
Liabilities not included in the foregoing		72,797.11
		$153,181,451.52

ASSETS

Gold and Silver Coin	$940,446.58	
Dominion Government Notes	15,113,307.00	
		$ 16,053,753.58
Deposit with the Minister of Finance for the purposes of the Circulation Fund		260,000.00
Deposit in the Central Gold Reserves		7,800,000.00
Notes of other Banks		763,793.00
Cheques on other Banks		3,817,392.16
Balances due by other Banks in Canada		92,051.67
Balances due by Banks and Banking Correspondents elsewhere than in Canada		2,933,356.72
Dominion and Provincial Government Securities not exceeding market value		12,527,937.82
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		15,720,838.76
Railway and other Bonds, Debentures and Stocks not exceeding market value		2,501,824.71
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks		6,508,728.64
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada		3,389,150.00
		$72,368,327.06
Other Current Loans and Discounts in Canada (less rebate of interest)		74,021,028.40
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		1,944,112.28
Real Estate other than Bank Premises		268,152.80
Mortgages on Real Estate, sold by the Bank		141,656.39
Overdue Debts, estimated loss provided for		327,941.58
Bank Premises, at not more than cost, less amounts written off		1,237,606.70
Liabilities of customers under Letters of Credit, as per contra		2,706,467.06
Other Assets not included in the foregoing		166,159.25
		$153,181,451.52

JOHN GALT, President. H. B. SHAW, General Manager.

Report of the Auditors to the Shareholders of the Union Bank of Canada.

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In addition to our verification at the 30th of November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the books of the Bank.

T. HARRY WEBB, E. S. READ, C. R. HEGAN,
Auditors, of the firm of
WEBB, READ, HEGAN & CO.,
Chartered Accountants.

Winnipeg, 20th December, 1918.

THE PRESIDENT'S ADDRESS

The President in opening his address, said in part:—

The statement which is now in your hands is in all respects the best in the history of the bank. The profits have reached a point which warrants your directors in announcing that the next dividend will be at the rate of 10 per cent. per annum.

In November, 1912, our deposits were $64,595,000; they are now $127,242,000; our current loans in Canada were $46,799,000, they are now $74,021,000; our total assets were $80,766,000, they are now $153,181,000.

Remarkable Growth

This remarkable growth is due largely to causes outside the bank, but some of it has undoubtedly resulted from the policy which your directors and management have consistently followed. Through the years of warfare never for a moment did they falter or lose faith in the ultimate result. They "carried on" conservatively, and, in consequence, are to-day happily in a position not only to take care of the home business, but to take part in handling the overseas commerce of Canada.

Trade With Far East

Following an investigation of the commercial and banking possibilities of the Orient undertaken this year by Mr. Gilbert G. Thorne, vice-president of the National Park Bank, and Mr. George Wilson, our New York agent, we are proud to announce a still closer alliance with our New York friends by the formation of a subsidiary corporation designed primarily to develop trade with the Far East, and to be owned equally and controlled jointly by this bank and the National Park Bank. This is, we believe, the first working alliance consummated between an American and Canadian Bank, and backed as it is by the prestige and financial power of both institutions, we confidently believe that satisfactory results will materialize in due course. It is our intention to immediately open offices in San Francisco and Seattle, and at Yokohama, Japan, and a farther exploitation of the Oriental field is contemplated at a later date.

We consider this an important step in our efforts to build up an institution of an international character, which will provide a financial highway for our trade with foreign countries, and give unrivalled service to our customers.

Our relationship with the National Park Bank of New York has been of the most intimate and friendly character for almost fifty years. Our New York advisory committee is composed of Messrs. Stuyvesant Fish, Brig.-Gen. Cornelius Vanderbilt and Gilbert G. Thorne, all distinguished members of their board and men highly regarded in metropolitan financial circles. With these gentlemen we must also associate the name of Mr. Richard Delafield, the president of the Park Bank whose advice and guidance have been sought and generously accorded on many occasions.

London Advisory Committee

The meetings of our London Advisory Committee were suspended during the year owing to the resignation of our chairman, Col. Leigh-Wood, C.M.G., and the continued absence on military service of the Hon. Sidney Peel.

We desire to place on record our appreciation of the services rendered the bank by Col. Leigh-Wood, C.M.G., during his seven years' tenure of office.

Your directors have decided to issue the remaining three millions of our authorized capital to the present shareholders at the price of 160 per $100 share.

Issue Balance Authorized Capital

With our assets over $150,000,000, we think that the Bank's capital should be increased to the full amount of its authorization, namely, $8,000,000. We feel that it may be only a short time before our activities necessitate a further increase in our capital stock, and we are recommending to you to-day a resolution authorizing the directors, when they deem it necessary, to apply to the Government to ratify an increase in the capitalization of the Bank, from $8,000,000 to $15,000,000. It is not our intention to do anything in this direction at the moment, but we feel that it is wise to take this step now, as a larger capital may be desirable if our assets continue to grow at the same pace in the future as they have done in recent years. Your directors will deal with the matter wisely and in the best interests of the Bank.

Since our last meeting we have been so fortunate as to secure the services on our board of Mr. Elkin, of St. John, N.B., and I hope you will confirm his appointment to-day. Mr. Elkin is well known in the Maritime Provinces, and his ability and energy will bee of the greatest help to us there. We hope soon to complete our board along the lines indicated, and to be represented by men of the highest reputation in each province.

Tribute to Staff

It is the duty of the General Manager to speak of the staff, but I must pay my tribute to that splendid body of men who have done so much to produce the results which you have in your handsd to-day. From General Manager to messenger, all are filled with the same spirit of loyalty to the Bank, and the self-sacrificing way in which the Bank's work has been carried on during the trying years of war is worthy of all praise.

The President also spoke at length in regard to the business situation generally, and the bank's various activities.

Mr. John Galt moved, seconded by Mr. R. T. Riley, that the report be adopted and that it be printed for distribution among the Shareholders. Carried.

The Chairman stated that to keep pace with the expansion of business it was considered advisable to increase the Capital Stock of the Bank. It was therefore moved by Mr. R. T. Riley, seconded by Mr. J. S. Hough, K.C., that the following be a by-law to increase the Capital Stock of the Union Bank of Canada, from $8,000,000 to $15,000,000.

"Whereas, the authorized Capital Stock of Union Bank of Canada now stands at the sum of $8,000,000 and it is deemed by the Shareholders to be expedient to increase the said Capital Stock as herein provided.

"Now, therefore, be it enacted and determined upon, and it is hereby enacted and determined upon by the Shareholders of Union Bank of Canada, assembled in Annual General Meeting at the Head Office of the Bank at Winnipeg, on this eighth day of January, 1919, as follows:—

"1. The Capital Stock of Union Bank of Canada shall be and is hereby increased by the amount of $7,000,000.

"2. That the Directors do apply for the issue of a Certificate by the Treasury Board ap[illegible]f this By-law and of said increase.

"Done and passed as a By-law of the Shareholders of Union Bank of Canada at Winnipeg this eighth day of January, A.D. 1919." Carried.

The Chairman informed the meeting that the retiring auditors were eligible for re-election, and that no other nominations had been received. It was then moved by Mr. F. W. Drewry, and seconded by Mr. E. E. Hall, that Messrs, T. Harry Webb, C.A., E. S. Read, C.A., and C. R. Hegan, C.A., of the firm of Webb, Read, Hegan, Calligham & Co., be re-appointed as auditors of the Bank. Carried.

It was then moved by Mr. F. W. Drewry, and seconded by Mr. E. E. Hall, that a sum not exceeding $7,500, be set apart by the Directors for the remuneration of the auditors, to be apportioned by them as may be deemed advisable. Carried.

It was moved by Mr. M. Bull, and seconded by Mr. F. E. Kenaston, that the meeting now proceed to the election of nineteen Directors for the ensuing year, and that the Chairman do cast one ballot for Messrs. W. R. Allan, G. H. Balfour, Hume Blake, K.C., M. Bull, Major-General Sir John W. Carson, B. B. Cronyn, Edward L. Drewry, S. E. Elkin, M.P., John Galt, S. Haas, A. Hitchcock, J. S. Hough, K.C., W. H. Malkin, R. O. McCulloch, F. E. Kenaston, Sir Wm. Price, R. T. Riley, Wm. Shaw, and Geo. H. Thomson.

The motion was carried unanimously. The ballot being cast, the Scrutineers reported these gentlemen elected as Directors of the Bank for the year ending November 30th, 1919.

It was moved by Mr. Jas. Fisher, K.C., and seconded by Mr. John Persse, that the thanks of the Shareholders are hereby tendered to the Honorary President, President, the Vice-Presidents and the Directors of the Bank for their valued services during the year. Carried.

It was moved by Mr. E. L. Drewry and seconded by Major-General Sir John W. Carson, K.C.B., that the thanks of the Shareholders are hereby tendered to the General Manager, Assistant General Manager, Superintendents, Inspectors, Managers and other Officers of the Bank for their efficient services during the past year. Carried.

Mr. F. W. S. Crispo, Assistant General Manager, and Mr. H. J. Pugh, Manager at Brandon, responded briefly on behalf of the staff.

The meeting then adjourned.

At a subsequent meeting of the newly elected Board the following officers were elected: Sir William Price, Honorary President; Mr. John Galt, President; Mr. R. T. Riley and Mr. Geo. H. Thomson, Vice-Presidents.

1918 BUILDING OPERATIONS WERE ON LARGER SCALE

Total Permits For 41 Cities Show Gain of Four Millions

TORONTO'S BIG TOTAL

In December Building Was Below the Average, But Well Ahead of Previous December

Building operations in Canada during 1918 were conducted on a much broader scale than in 1917. Official figures covering the issue of building permits in 26 principal cities in Eastern Canada, show a grand total for the year of 38,146,299. This represents an increase for the year of $4,434,630, which must be regarded as a very satisfactory amount when all the obstacles in the way of new building are considered. Both East and West share in the gain, the 26 Eastern cities reporting a total of $29,806,350 in permits, an increase of $2,118,665, and the 15 Western cities, $8,339,949, an increase of $2,315,965.

Million Dollar Cities

Nine cities reported the issuance of permits to a value of a million dollars or over, as compared with eight cities in 1917. Toronto stands first with a large margin to the good, its permits amounting to $8,535,331, an increase of $1,371,775. Montreal, in second place, has $4,882,873, a gain of $495,235. Halifax is third with $2,857,855, but its increase of $2,013,478 is the largest of any city. Ottawa ranks fourth with $2,619,717; Hamilton fifth with $2,471,854, and Winnipeg sixth with $2,050,650. After them in order come Vancouver, Calgary and Regina.

December Building Light

Figures for the month of December just compiled indicate that construction for the month has been light. As compared with an average monthly total of over $3,000,000, the December figure was down to $1,711,451. At that, however, it showed a healthy gain over 1917, when the December total was only $998,389, or less by $713,062. The principal improvement was shown this time by the Eastern cities. Here the volume of building amounted to $1,489,963, the gain being $676,163. The Western cities only reported permits of $221,488, which was $36,899 better than the year before.

In points of volume of permits, the City of Toronto was again in the lead. For the month, the city architect issued an amount of $610,451. Second place was taken by Hamilton with $309,900, and third place by Montreal with $176,045. In the case of all the other cities, the month's permits did not exceed $100,000, while in some places they fell under $1,000. Stratford reported only $35; St. Thomas, $85; Guelph, $350, and Kitchener, $400.

With the volume of permits so light, changes between 1918 and 1917 were naturally small. Hamilton's gain of $283,450 was the most considerable difference. Toronto showed the second largest increase with $240,098. Montreal's gain amounted to $119,775. All other cities reporting gains fell under $100,000. Brantford's decline of $148,350 was the most considerable falling-off.

REAL ESTATE IN SASKATOON

Shortage of Houses and Business Properties is Anticipated

Discussing real estate conditions in Saskatoon, Willoughby Sumner, Limited, state that "there is not much margin between demand and supply in houses and business properties. The renting situation is vastly better than in the early days of the war. The outlook is that the situation will continue to improve, and that there will be an acute shortage of houses and certain kinds of business properties very shortly.

"It is difficult to give an opinion on real estate values, as very little real estate has changed hands during the past few years. The situation is improving, however, and the outlook is good for some activity in the near future.

"Only a very moderate amount of building is being done at present. There is building in sight and the chief necessities will be in residences and warehouse buildings. While there is not exactly a housing problem in our city to-day there will shortly be an acute shortage of houses.

"The demand for farm lands is steady and throughout Northern Saskatchewan values have been increasing."

MAY CHANGE DATE

Moving Day in Montreal May Be Changed to July 1

A radical change in connection with the time-honored custom (and nuisance) of giving notice of an intention to cancel a lease by the first of February in Montreal seems likely to be made in the near future. At a meeting of the Montreal City Council this week the following resolution was submitted by Ald. Dubeau:

> "Whereas the search for houses to let in February and March is very difficult and disagreeable owing to the rigors of climate; considering that May 1 is an inconvenient date for removing for many reasons, and a cause of worry to families owing to the necessity of children having to change their schools; whereas for a long time citizens have demanded a change in the date; it is resolved that the council ask Sir Lomer Gouin and the members of the Legislature to present a law at the approaching session changing the date of moving to July 1 and fixing the date for giving notice for May 1, thus enabling citizens to visit other houses during the months of May and June."

When the motion was considered the majority of the aldermen expressed themselves in favor of looking into it at least. By a vote of 14 to 5 it was referred to the Legislative Committee.

Received business by the North-American Life Assurance Co. in 1918 amounted in round figures to $14,700,000, an increase of 16 per cent. over 1917 and more than 75 per cent. over 1914. Business issued and revived exceeded $13,200,000. December was the biggest month in the company's history, business amounting to over $1,700,000 being received. December applications were 826 in number and for the year there were 7.737 applications.

Building Permits for the Month of ~~November~~ December

Eastern Cities

	Dec., 1918	Dec., 1917		Change	12 mos., 1918	12 mos., 1917		Change
Maritimes—								
Halifax	$ 74,390	$ 13,225	+	$ 61,165	$ 2,857,855	$ 844,377	+	$2,013,473
St. John	....	1,500	—	1,500	351,323	531,250	—	179,927
Sydney	14,366	11,135	+	3,231	422,257	416,690	+	5,567
Quebec—								
Montreal	176,045	56,270	+	119,975	4,882,873	4,387,638	+	495,235
Quebec	5,575	8,440	—	2,865	904,375	2,458,426	—	1,554,051
Westmount	5,200	17,900	—	12,700	275,261	155,890	+	119,371
Three Rivers	5,600	50,000	—	44,400	643,135	423,860	+	219,275
Outremont	19,500	....	+	19,500	151,725	264,325	—	112,600
Ontario—								
Brantford	1,565	149,915	—	148,350	761,500	287,195	+	474,305
Chatham	36,000	34,100	+	1,900	189,890	390,997	—	201,107
Fort William	54,365	850	+	53,515	535,615	658,265	—	122,650
Guelph	350	150	+	200	83,953	111,435	—	27,482
Hamilton	309,900	26,450	+	283,450	2,471,854	2,746,675	—	274,821
Kingston	8,548	9,607	—	1,059	318,943	150,705	+	168,238
Kitchener	400	....	+	400	266,060	205,352	+	20,710
London	27,980	34,590	—	6,610	876,660	837,890	+	38,770
Ottawa	58,163	10,100	+	48,063	2,619,717	1,041,017	+	1,578,700
Peterborough	8,175	335	+	2,840	241,251	953,503	—	712,252
Port Arthur	3,240	2,740	+	500	710,527	1,345,174	—	634,647
Stratford	35	790	—	755	89,786	216,338	—	126,552
St. Thomas	85	800	—	715	54,395	79,920	—	25,525
St. Catharines	15,545	8,215	+	7,330	465,867	522,768	—	56,901
Toronto	610,451	370,358	+	240,093	8,535,331	7,163,556	+	1,371,775
Welland	13,220	1,000	+	12,220	440,524	241,334	+	199,190
Windsor	36,835	4,585	+	32,250	570,305	1,161,375	—	591,070
Woodstock	9,430	745	+	8,685	125,368	91,730	+	33,638
Total 26 East. Cities	$1,489,963	$813,800	+	$676,163	$29,806,350	$27,687,685	+	$2,118,665
Western Cities								
Manitoba—								
Brandon	300	....	+	300	99,022	180,338	—	81,316
St. Boniface	4,850	84,600	—	79,750	268,965	155,515	+	113,450
Winnipeg	9,850	9,600	+	250	2,050,650	2,212,450	—	161,800
Alberta—								
Calgary	27,300	10,100	+	17,200	1,196,800	548,200	+	648,600
Edmonton	9,800	....	+	9,800	356,960	309,800	+	47,160
Lethbridge	....	5,060	—	5,060	135,553	94,628	+	40,925
Saskatchewan—								
Moose Jaw	47,950	800	+	47,150	567,645	295,460	+	272,185
Regina	5,160	7,050	—	1,890	1,006,000	416,460	+	589,540
Saskatoon	9,050	4,734	+	4,316	604,715	582,739	+	21,976
Prince Albert	2,500	....	+	2,500	87,545	37,300	+	50,245
Swift Current	1,145	450	+	695	102,500	130,000	—	27,500
Yorkton	....	....		....	35,150	63,449	—	28,299
British Columbia—								
Vancouver	31,653	56,295	+	25,552	1,440,384	762,255	+	672,129
Victoria	10,490	4,300	+	6,190	289,760	147,875	+	141,885
New Westminster	11,440	1,600	+	9,840	108,300	81,516	+	26,785
Total 15 West Cities	$221,488	$184,589	+	$36,899	$8,339,949	$6,023,984	+	$2,315,965
Gr. Total 41 Cities	$1,711,451	$998,389	+	$713,062	$38,146,299	$33,711,669	+	$4,434,630

EMPLOYERS SHOW DESIRE TO LEARN LABOR VIEWPOINT

Applaud Frank Opinions of Councillor Peter Wright

ARE SYMPATHETIC

Evidently Anxious to Find Some Remedy For the Spirit of Social Unrest Pervading the Country

Applause accorded the outspoken utterances of Councillor Peter Wright on relations between capital and labor at a crowded gathering of Toronto manufacturers on Monday evening is indication that, so far as the employers of labor are concerned, they are in sympathy with the view of the type of workingmen represented by the famous British seaman. Again and again, Mr. Wright, in the course of his fine speech on problems of reconstruction, struck a responsive chord in his audience and elicited hearty expressions of approval.

Responsibility was a word which Mr. Wright did not employ to any great extent, but it was the keynote of his speech. Time and again he urged his hearers to get away from the narrow view of concentrating all their energies on running their industries to make money and come to a recognition of the fact that it was their duty to work towards higher ideals. He pleaded for a keener interest on the part of business men in public affairs and his references to the type of men to whom matters of the utmost importance were being entrusted by indifferent electors was received with every evidence that the reproach had struck home.

Education Is Stressed

Education was vigorously stressed by the speaker, and he had some straight-from-the-shoulder criticisms to offer of the present educational system, which required teachers to handle huge classes and kept them, "the worst-sweated profession on the face of the earth." In education, he believed, was to be found the antidote for the present social unrest. Once educate a man and he will no longer be gulled by the specious arguments of those who would uproot and destroy all the present organization of society. With education, he would couple clean and respectable living conditions, and he urged his audience to do all in their power to place education on a better basis and to fight for reforms in housing.

Dealing with the relations of labor and capital, Mr. Wright said that now was the time, when the war had broken down so many of the barriers which formerly separated master and man, for the two groups to get together and come to a common understanding. If the opportunity were neglected, he would not be responsible for what would almost certainly ensue. The attitude of the shipowners of Great Britain towards the representatives of the seamen's union before and during the war was cited to illustrate the mighty change that had taken place. In ante-bellum days, the owners refused absolutely to have anything to do with the spokesmen of labor, turning them away from their doors and otherwise treating them with complete indifference. The ordeal of war changed all this. The seamen's representatives were not only welcomed in conference, but were sought out and consulted in many matters affecting shipping. The pleasant relationships established under these trying circumstances will be continued to the mutual advantage of both parties.

Attitude of Capital

The capacity audience which listened to Mr. Wright in the Board of Trade lunch room betokened the keen interest taken by leading employers of labor in Toronto in the subject on which he spoke. There would appear to be no doubt that employers recognize the existence of a labor problem, possibly more serious than is generally believed to be the case, and that they are anxious to ascertain the width and depth of those currents of unrest that are at present threatening society. In Mr. Wright they encountered a level-headed workingman, who first warned them of the dangers ahead, and then pointed to those remedies which he believed would avert trouble. The reception of his views was so favorable in character that it may reasonably be concluded that, so far as the capitalist is concerned, there is a desire to meet labor, and, if possible, reach a satisfactory understanding.

THE WEST MAY FORCE REMOVAL WAR TARIFF

Continued from page 1

and if so, what is to take its place?"

There is a feeling in the air, however, that some action might be taken. It was a war tax—and the war is over. It would undoubtedly not be displeasing to the Liberals in the Government to see it dropped, and might make for the security of the Government.

War Tax—And War is Over

The whole trouble with the tariff situation, as is very evident, is that it is the result of an unscientific procedure in the past. It has always been, not a matter of adjustment, but a game of grab; not of principle, but of interest. The manufacturers of the East have themselves manoeuvred the farmers of the West into a position where the feeling is not so much one of reason as of revenge. What began with an issue, has been made a fight. Each side is apparently determined to make no open concession to the other, lest it be taken as a confession of weakness. The manufacturer of the East must see that the position of inflexible "stand-pat" which his spokesmen in Parliament and elsewhere have assumed for him cannot be maintained, in the face of a Western feeling which almost borders on violence; while the wiser heads in the West realize that the ultimatum embodied in the platforms at farmers' meetings is little more than a devotional proceeding—a sort of repeating the Creed. One of the leaders of the farmers' movement admitted to me not three months ago that Free Trade was "a beautiful dream." There are men in the lonely shacks on the prairies who have this ikon, blessed by Cobden—kept alive in England by German money—always enshrined on the walls of their dwellings; and they never go forth to a Grain Growers' Convention but they take it into battle with them; but they are the enthusiasts who are a necessary part of every big movement.

Hard To Get Together

The "get-together" movements, mainly promoted from the East, have thus far produced absolutely nothing. About the time the latest invitation to attend such a gathering was received in the West, the writer was in conversation with half a dozen leaders of the Grain Growers who would almost certainly be sitting around the board at such a meeting. "Will you be there?" I asked. "Very likely; but what is the use? The last time we had such a gathering we had to do all the talking. When it came to getting down to brass tacks, there was no one from the other side who seemed to have authority to say anything. We never got anywhere; and are not likely to with feeling as far apart as it is now. Handling the question in this way is unscientific. We are prepared to speak for the farmers as a body, but with the manfacturers no one seems to have authority to speak for anyone but himself; and then he is afraid to say anything we could be expected to agree with."

The tariff is too big a question to be handled by the Big Berthas from each side, shooting at each other across the continent; and it will never be settled by the Canadian Manufacturers' Association on the one side, and the Grain Growers' Association on the other, meeting and assuring themselves as to what is their irreducible minimum. Each side seems marked by a total absence of that "sweet reasonableness" which is the first thing necessary to agreement. There has been a notable absence of diplomacy. The Canadian Manufacturers' Association, for example, which is in itself a perfectly worthy institution, and necessary to the interests it represents, has had concepts of diplomacy which were purely Teutonic in their character. They seem to proceed on the assumption that they are dealing with guileless children. Take, for example, the formation of the Canadian Industrial Reconstruction Association, and the sending of Sir John Willison to the West as the modern apostle to the prairies. There could scarcely have been a more delightful missionary; the trouble was with the gospel he carried. The benighted heathen there hurried down to the strand, and received him with three hearty jeers. They knew all about his gospel, and considered it was not a patch on their own; but they were mildly interested to know what "the joker" was.

A Commission Needed

The tariff is a scientific question, and it is time some science were injected into the handling of it. With opinion as it is in Canada, and constantly growing more extreme, nothing will be accomplished by either abuse or compliment; but a fairly constituted tariff commission, with all affected parties properly represented, would at least inspire confidence that the Government was taking the matter seriously. It is not a quesor with a series of blows, delivered at long intervals. It is too complex in its character, and the conditions on which a scientific tariff must be based are too subject to change to make such a method satisfactory. Tariff revision is a subject for experts who have a deep and continuous knowledge of the situation, as it may be effected throughout the whole of Canada at any given time.—T.M.F.

For Investors who seek Safety and Marketability.
Write for our list of Selected Investments.
Yielding from
5% to 7½%
Campbell, Thompson & Company
Canada Life Building, Toronto

The Cunard Steamship Co. purchased six standard steel cargo steamers from the British Government, which will carry between 6,000 and 7,000 deadweight tons.

The National Life
Assurance Company of Canada
Head Office - TORONTO

ELIAS ROGERS, *President*
ALBERT J. RALSTON, *First Vice-President and Managing Director*
F. SPARLING *Secretary*
GEORGE W. BEARDMORE, *Second Vice-President*

Twentieth Annual Report

A RECORD OF ACHIEVEMENT

Total Payments to Policyholders - - - - - - - $ 348,645.30
(An increase over 1917 of $103,433.04)
Amount of New Assurance received during 1918 - - - - 4,500,000.00
Total Business in Force December 31st, 1918 - - - - 24,192,062.00
Annual Premium Income during 1918 - - - - - 831,770.64
Interest Income, Rents, etc. - - - - - - - 219,540.37
Increase in Assets for the Year - - - - - - 447,142.99

COMPARATIVE STATEMENT IN FIVE YEAR PERIODS

	1903 (4½ years)	1908	1913	1918
Premium and Interest Income	$ 135,568.00	$ 396,017.00	$ 739,665.00	$ 1,014,938.00
Business in Force	4,086,112.00	8,625,509.00	22,299,079.00	24,192,062.00
Total Assets	273,605.00	1,085,228.00	2,438,240.00	4,227,187.00

POINTS OF INTEREST

The Head Office Building market value as per valuation of 1918 is $323,000.00 and has been taken in the statement at Book Value, $250,000. Formerly the Treasury Vault and Steel Vault equipment were taken into the statement as a separate asset. This is now included in the Head Office building item.

The items including supplies and office furniture, costing approximately $40,000.00, and formerly taken into the statement as a separate asset have now been eliminated.

Increase in actual cash receipts for the year 1918, as compared with the year 1917, was $72,511.33.

After making provision for Taxes, payable in 1919, amounting to $9,535.95, and after deducting interest on loans paid in advance amounting to $11,818.70, leaves a Surplus for additional protection of policyholders of $381,964.15 (including paid-up capital stock of $250,000.00).

The amount set aside for Reserves for the year 1918 was $353,926.00.

Assuming that the Company's Reserves were based on the 4% Reserve Table, the Surplus would be approximately $575,000.00, and on a 4½% basis approximately $750,000.00.

No interest or principal is overdue or in arrears on any of the invested funds of the Company, with the exception of one. The total number of investments being 775.

who seek Safety
arketability.
r list of Selected
stments.

o 7½%
Thompson &
mpany
Building, Toronto

elightful missionary;
with the gospel he
ighted heathen there
the strand, and re-
three hearty jeers.
bout his gospel, and
not a patch on their
ere mildly interested
he joker" was.

ission Needed

a scientific question,
ome science were in-
andling of it. With
in Canada, and con-
more extreme, noth-
omplished by either
ment; but a fairly
f commission, with
ies properly repre-
least inspire confi-
vernment was taking
sly. It is not a ques-
f blows, delivered at
t is too complex in
d the conditions on
tariff must be based
o change to make
satisfactory. Tariff
ect for experts who
continuous know-
ation, as it may be
out the whole of
en time.—T.M.F.

teamship Co. pur-
dard steel cargo
e British Govern-
arry between 6,000
ght tons.

fe
la

ARLING
etary

t

3,645.30

0,000.00
2,062.00
,770.64
,540.37
,142.99

00
00
00

as been
l Vault
e Head

and for-

17, was

fter de-
ditional
0).

Surplus

e Com-

THE ADVANCES TO SHELL MAKERS ON CONTRACT BASIS

No General Proposals For More Favorable Treatment

AGREEMENT OUTLINED

Summary of Conditions Under Which Munitions Orders of British and American Governments Were Placed

By Resident Representative

OTTAWA.—So far as can be learned there is no intention on the part of the Imperial Munitions Board to make advances on account of cancellation of munitions contracts other than according to the terms of the contracts, which are, presumably, well understood by the manufacturers. Certainly there is no present intention to adopt this as a general policy, whether isolated cases of extreme hardship, if there be such, might be differently treated or not.

The policy of the British Government, as administered through the Board, has been one of elasticity. The conditions under which the manufacture of munitions was undertaken in Canada were so unusual that it was necessary to allow a greater margin than would normally be regarded as necessary. The Board had to adopt a policy involving a certain amount of "nursing" of organizations which were either entirely new, or new to the munitions business. But there was no bonusing of inefficiency.

The munitions business was admittedly a precarious one, for many reasons. Contracts were taken with the market for raw materials in a most uncertain state. Large initial expenditures were required in a business which might cease at a moment's notice, as the event showed it did cease. A large margin had to be allowed for subsequent complete or partial scrapping of the plants engaged. Those who engaged in the business had to do so without previous experience to guide them. For all these reasons it was necessary that the prices allowed the manufacturer should be high, and that some differentiation should be made for final compensation to different classes of manufacturers, governed by the time in which they had been engaged in the business.

Two Types of Contract

There were two forms of contract: First, where the contractor had invested an important sum of money in machinery to carry out his contract; second, a situation in which the manufacturer received one or more renewal orders on which he used machinery which had already been engaged on the completion of the first contract.

Whenever cancellation took place in the first type of contract, the contract provided that if the manufacturer had made deliveries in accordance with the schedule which he gave when he took the contract, then the Munitions Board reimbursed him for the machinery which he purchased to execute the contract to the extent to which he had not been permitted to complete the contract, that is to say, if the contractor had undertaken by a given date to deliver sixty per cent. of the shells on the contract, and had successfully kept his engagement, if the contract were then cancelled, the Board would reimburse him for the valuation of forty per cent. of the machinery installed for the purpose of executing the contract, less the scrap value of the forty per cent. of machinery.

In addition, the contract provided that the Board shall recompense the manufacturer for any materials which he had bought exclusively for the purpose of carrying out the contract, and which were no longer of full value, through the contract being cancelled.

In the second type of contract, i.e., the renewal, no provision was made for payment for machinery in the event of cancellation, because it was presumed it had been paid for on the completion of the original contract, for which reason the original contract was almost invariably on a higher basis than the renewal.

The American Contracts

In American business, the same general principle applied. The contracts varied considerably in their terms, but the underlying principle was that if cancellation was asked before the completion of the contract, the manufacturer should be paid his out-of-pocket expenditures on machinery or materials, which have not been amortized by the portion of the contract completed before the cancellation was effected. Inasmuch as the American business was of late date, the contracts were practically all initial contracts, and there will doubtless be a more important payment for machinery and equipment than in the case of the British contracts, which at the end of the war were, for the most part, renewals.—T.M.F.

ROCKEFELLER INSTITUTE

Appropriations Outlined for the Year's Campaign

NEW YORK.—The 1919 budget of Rockefeller Foundation provides for expenditure of $2,264,130 for public health and $3,662,504 for medical education. Estimated income is $6,750,000. After setting aside $103,000 for payments for long term appropriations and $146,662 for administration, $465,110 is still available for appropriation.

Of the income received in 1918, $2,787,406 has been brought forward to be used to meet appropriations for war work made in 1918, but yet to be paid.

The public health activities to be carried out during the year will consist chiefly of efforts against yellow fever, tuberculosis in France, malaria and the hookworm disease.

LYONS SAMPLE FAIR

Americans Interested in the French Exhibition

WASHINGTON.—The indestructible resilience of France is illustrated in the preparation now under way for the Lyons Sample Fair. Activities are now in progress for participation by American manufacturers. It has been learned that the matter of the transportation of American samples free of charges is now being discussed by the United States Shipping Board and the State Department, with the latter in consultation with the French Government on certain points connected with the plan. It is understood that there will be ample tonnage space available, and that there is every prospect that the plans now contemplated will be given favorable consideration.

The Lyons Fair will overshadow every like affair in Europe, it is believed. That it will surpass the German fair at Leipsic, which formerly led all others, is assured. About the only interesting feature conected with the Leipsic Fair since the war began, when its activities have been confined to the Central Powers, is the fact that it developed into a "substitute" affair, with "something just as good" displayed in lieu of the commodities which had been given prominence in former and better days.

Opportunities for American-made materials are said to be unsurpassed, now that all Europe will be in greater dependence than heretofore on this country for supplies. The American Consul at the time of the last exhibit sent so many specific items of trade opportunities to this side that it was necessary to get them out in booklet form. There has been a tremendous advertisement of American goods already in France as a result of the war work. Those best qualified to give advice have indicated that raw materials to be used in reconstruction will not need to be exhibited, as they will sell themselves. The articles to be placed on display should rather consist of manufactured materials in which American manufacturers have specialized. There will be a great demand, in all likelihood, for agricultural machinery, such as tractors, and other labor-saving and man-saving devices in connection with work on the land. The general thought is that American business men should take advantage of the opportunity, and not lose sight of the fact that these fairs are exceedingly important affairs in Europe, with immense transactions taking place as a result of the displays.

U. S. ADVANCES TO ALLIES

Total Amount Is Now Estimated Around $8,585,000,000

NEW YORK.—The total amount of funds advanced to the Allies is estimated now around $8,585,000,000. Up to the first of the year this is one-third of the cost of the war as represented by Treasury disbursements to December 31, 1918. The Secretary of the Treasury announces that the cash payments for the month of December were $2,060,000,000—the largest payment for any month of the war. The War Loan organization for the Treasury expects to continue the War Savings system through 1920 and succeeding years, and is planning the issuance of long-term securities later on to refund War Savings Stamps and Certificates that have been sold. It is also reported that the War Savings Certificates may be issued in larger denominations of $100 and $1,000.

There is an estimated decrease of 28,000,000 head of cattle in the principal countries of Europe. Years must elapse before European beef and dairy production is back to normal.

The New York City Board of Estimate has denied the request of the Interborough Rapid Transit Company for an increase in the fare charged on elevated and subway lines from 5c to 8c. The board has also denied the request of the New York Railways Company for an increase of the surface lines from 5c to 8c, and 3c for a transfer.

TRADE WITH U.S. MADE NEW RECORD DURING PAST YEAR

Total More Than Three Times the Aggregate For 1914

EFFECT ON EXCHANGE

Unfavorable Balance Was Increased by Nearly $42,000,000 During November, Despite Armistice

By Special Representative

NEW YORK.—Trade between the United States and Canada in the past year reached a grand total of $1,346,000,000, according to an estimate which becomes possible with the release of the latest figures of commerce. This figure establishes an entirely new record for Canadian-American business for any one calendar year. The aggregate for the year 1918 is more than three times greater than the aggregate for 1914, and exceeds the previous year, 1917, by more than $100,000,000.

Comparative figures of trade over the Canadian border for a period of eight years make the following interesting record of progress:

Calendar Year.	U. S. Imports from Canada.	U.S. Exports to Canada.	Total Trade.
1912..	$120,851,025	$375,123,769	$495,974,794
1913..	142,142,939	403,289,234	545,432,173
1914..	164,031,910	310,616,232	474,648,142
1915..	177,594,210	345,045,836	522,640,046
1916..	237,249,040	604,908,190	842,157,230
1917..	413,674,846	829,972,331	1,243,651,177
1918*.	456,825,000	889,190,000	1,346,015,000

*Month of December estimated.

Canada added nearly $42,000,000 to its unfavorable trade balance during the month of November, according to figures just released by the Bureau of Foreign and Domestic Commerce. Exports to Canada during the month, totaling $87,036,000, were the heaviest for any one month in the calendar year, with the exception of September's $89,288,000. Three times during 1917 larger monthly totals were recorded, but with these exceptions exports during November were the largest on record. From the Canadian viewpoint this expansion in U. S. exports was a disappointment. It had been hoped in view of the growing adverse trade balance that Canadians would reduce, rather than increase, their purchases in this market. It had been felt that with the signing of the armistice and the cessation of war contracts much of Canada's buying in this country would come to an abrupt stop.

These abnormal figures of trade give a clearer reason for the continuance of the 2 per cent. or greater discount upon the Canadian dollar in the New York money market.

For the eleven months of the calendar year the trade between the two countries may be summarized as follows:—

Eleven Months.	U.S. Imports. from Canada.	U.S. Exports. to Canada.	Canada's Adverse Balance.
1918..	$416.825.000	$814.190,000	$397,365,000
1917..	377,442,000	727,542,000	350,100,000
Inc...	$39,383,000	$86,648,000	$47,265,000

Second U. S. Customer

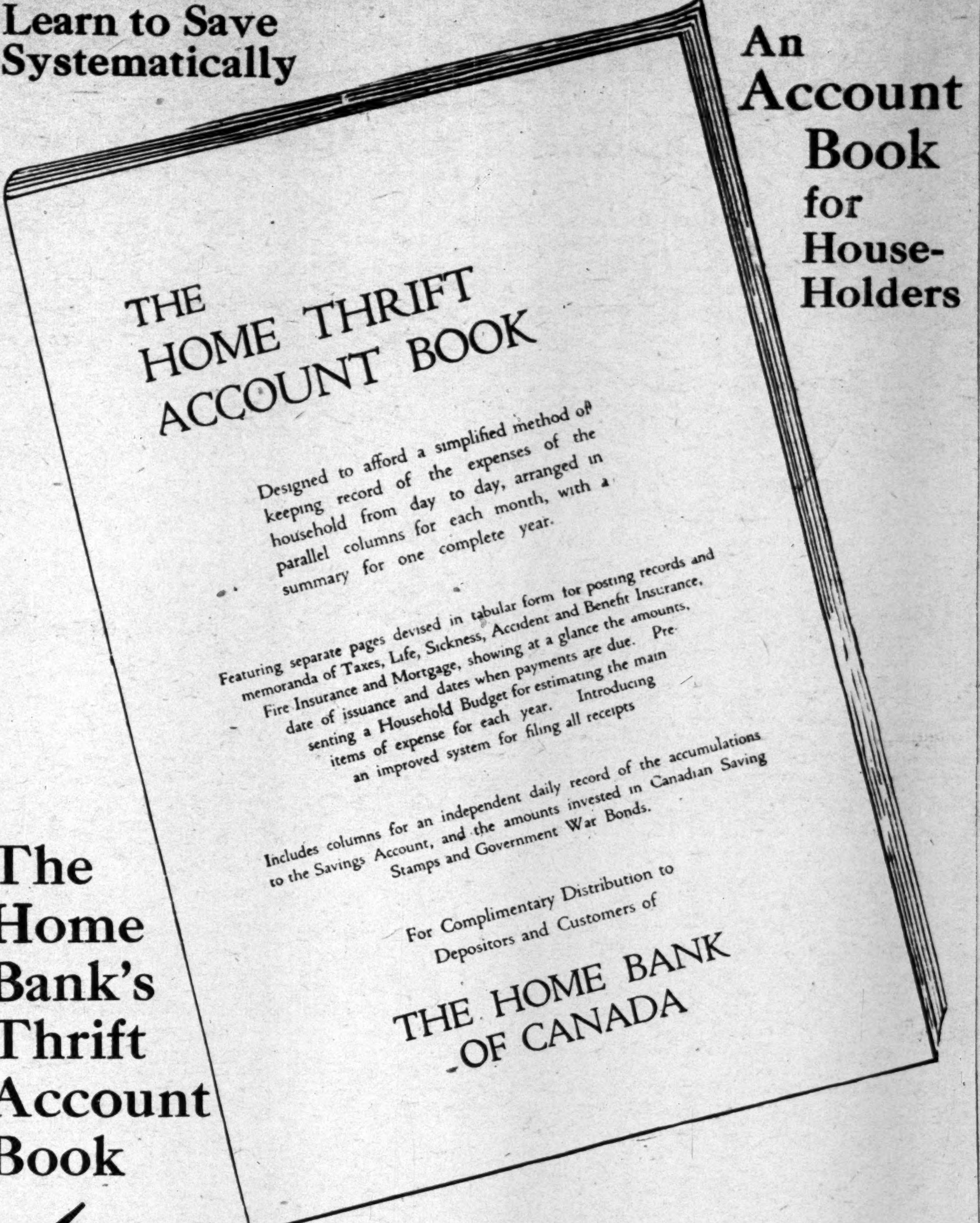
Analysis of the American foreign trade statistics reveals that in the month of November Canada stepped up into second place in the U. S. foreign trade list. England, with purchases here totalling $164,000,000 for the month alone, exceeded Canada's $87,000,000. France was third with $54,000,000, Italy followed with $42,000,000, and Japan with $25,000,000. During November Uncle Sam purchased to a larger amount in Canada than in any other country. U. S. imports from Canada aggregated $45,000,000. U. S. imports from Japan with a total of $25,000,000, were next in importance, imports from the British East Indies reached $20,000,000, and imports from other countries scaled down from these totals.

U. S. imports from Canada during the month represented nearly 18 per cent. of America's foreign purchases, and for the eleven months of the year nearly 14 per cent., the abnormally heavy volume of American buying in the Dominion being immediately attributable to the U. S. Government war orders which continued to be placed across the border throughout the year. While there was an immediate cessation of this buying with the signing of the armistice, it is generally understood that a measure of compensation will be allowed by the U. S. Government for cancelled contracts.

The Department of Mines estimates the production of coal during 1918 at about 15,180,000 short tons, as compared with a production of 14,046,759 short tons during 1917.

Learn to Save
Systematically

An
Account
Book
for
House-
Holders



THE
HOME THRIFT
ACCOUNT BOOK

Designed to afford a simplified method of keeping record of the expenses of the household from day to day, arranged in parallel columns for each month, with a summary for one complete year.

Featuring separate pages devised in tabular form for posting records and memoranda of Taxes, Life, Sickness, Accident and Benefit Insurance, Fire Insurance and Mortgage, showing at a glance the amounts, date of issuance and dates when payments are due. Presenting a Household Budget for estimating the main items of expense for each year. Introducing an improved system for filing all receipts

Includes columns for an independent daily record of the accumulations to the Savings Account, and the amounts invested in Canadian Saving Stamps and Government War Bonds.

For Complimentary Distribution to
Depositors and Customers of

THE HOME BANK
OF CANADA

The
Home
Bank's
Thrift
Account
Book

Get a copy of this book FREE
from the Local Manager of the Branch
of the Home Bank of Canada—where
you keep your account.

ADVERTISERS AND "TROUBLE-BREEDING PUBLICATIONS"

Help Should Be Rendered in the Work of Education in Order That Better Human Relations May Be Brought About

By B. C. FORBES

Of Forbes Magazine, New York, in "Printer's Ink"

The ideas of the great mass of the people are formed very largely by what they read. You have a responsibility just as I have a responsibility in doing what we can to promulgate sound doctrines. Is it not true that many of you advertisers and advertising agents have been swayed in the past entirely by selfish considerations in the placing of your business, in the spending of your advertising appropriations? Is it not true that some of the most notorious muckraking periodicals were unable to carry all the advertisements you offered them in the heydey of their muckraking power? Was not your argument, "My business is to sell so many million bars of soap or so many razors or so many suits of clothes? That's what our advertising money was appropriated to accomplish and that's what I mean to accomplish. If I can do this best and quickest by advertising in a publication which has become the rage because of its muckraking, then I am going to use the mudslinging publication."

Is that not a true statement? If so, is it not a serious indictment? Cannot you see how shortsighted, how foolish, how mischievous, how unprofitable in the end was such a course? What if you did succeed in selling a few or even many more bars of soap or razors or shaving sticks, if the spending of your money in those channels was directly helping to sow the seeds of discontent, of revolution, of anarchy, of what we now know as Bolshevism? Such advertising doubtless helped you to add a story or two to your business structure, but, mark my words, it laid the dynamite, it laid the mines, it laid the bombs which now threaten to explode and sweep away not merely the extra story or two you gained, but the whole foundations of your business and its successful prosecution.

You national advertisers must gain a broader conception, a longer vision of your calling and your responsibilities. Your duties do not begin and end with "buying circulation" and marketing products. You are human beings, you are citizens before you are business men. Man has a higher duty than merely to make money regardless of ways and means. You are your brother's keeper. It has cost 20,000,000 lives and $200,000,000,000 to teach Germany that elementary fact. Upon you rests a greater responsibility now and hereafter than ever rested upon you in the past.

Undermining Americanism

Forces are at work which, if not wisely handled, may lead this country into perilous paths. We have lately seen brazen attempts to raise the red flag at the head of processions along the most famous avenue in America and at a mass meeting in one of America's largest public halls. How much did the money some of you spent in trouble-breeding publications contribute to the hoisting of these red flags and to the fanning of the anarchistic, the Bolshevist flames now daring to break out here and there throughout the country? You who strengthen and support and encourage publications which grossly mislead the public, which incite revolution, which inflame ill-will against business and capital, which laud revolution and destruction—you who strengthen the power and the influence and the circulation of such publications are more guilty and more condemnable than the scatterbrains who swallow what these publications preach, for you are educated and they are not.

You reply, perhaps indignantly, "Are we expected to set ourselves up as censors of every publication in America? Are we to discriminate between one publication and another? Are we expected to boycott publications which do not see eye to eye with us and to support publications which take the side of capital?"

Every one of us, if we are to fulfill our duties as decent citizens, must act as censors every day of our lives. We pick and choose our shoes, our hats, our suits. We pick and choose when we want to buy a phonograph or a piano or an office desk. Why, if we were not censors, if the whole public were not censors in every phase of their life, what in thunder would be the good of advertising? Don't you gentlemen advertise to convince the public that what you have to offer is superior to the thing your rival has to offer? Yes, indeed, you expect the public to be censors and to exercise discrimination in what they buy.

Why, therefore, in the name of common sense should you not be expected to exercise discrimination in determining how you shall spend your money as advertisers? Is it asking too much of you, as responsible citizens, as fathers of families, as business men possessing acumen and vision—is it asking too much of you to adopt as a general working policy this test: "Is this publication which I propose to endorse and strengthen and support by my money a publication that I would be willing to have on my library table and glad to see my sons and daughters read? Is it such a publication that if its tenets and views were taught in the public schools and the universities of the country, the coming generation would be better men and women?"

Commercializing Disloyalty

You "buy circulation." Sometimes you make that statement with a tone of great finality as if that settled the whole question and ended your entire responsibility. My God! you can buy

Continued on page 20

Portion of address Dec. 5, before the New York Convention of the Association of National Advertisers.

The Canadian Bank of Commerce

Report of the Annual Meeting of Shareholders

The Fifty-second annual meeting of the shareholders of The Canadian Bank of Commerce took place on the 14th instant at the Head Office of the Bank. The report submitted, which has recently been made public, was of an unusually satisfactory character. The President, Sir Edmund Walker, took the chair, and after the report had been read he requested the General Manager, Sir John Aird, to address the shareholders. The General Manager then said:

For the first time since January, 1914, we meet without the sinister shadow of the great war upon us. Difficult as is the outlook before many of the warring nations and perplexing as are the problems for which a solution has to be found before a satisfactory peace can be concluded, hostilities have ceased and cannot be renewed on the same colossal scale. We rejoice that the sacrifice of life has come to an end and that those members of our staff at the front who have survived the conflict, and others who are near and dear to many of us, can now look forward with assurance to the welcome that awaits them at their home-coming.

Fifty Years' Service.

The past year has been pleasurably marked by the jubilees of both our President and Vice-President in their respective callings. On July 24th our honored President, Sir Edmund Walker, celebrated the fiftieth anniversary of the day on which he entered the service of this Bank, and the occasion was marked by a dinner tendered to him by the Board of Directors. An account of this has been printed, and copies of the pamphlet are available for any of you who may desire them. The addresses of the evening, and the extracts from the many letters and telegrams of congratulation which came from all over the country upon the happy event becoming known, tell more eloquently than any words of mine could do, the esteem in which he is held by all classes of the community.

Rest Equals Capital.

The day was further commemorated by our making it the occasion upon which the five and ten dollar notes of the new issue of this Bank, to which I referred at the last annual meeeeting, were first paid out. The artistic quality of the designs of these notes, for which Sir Edmund is responsible, and his well-known interest in matters of art, seemed to make this a fitting compliment to him. Just a few weeks earlier, on May 19th, Mr. Z. A. Lash, our esteemed Vice-President, and trusted legal adviser during so many years, had celebrated the fiftieth anniversary of his call to the Bar of Ontario. The close coincidence of these two events, so unusual in themselves, with the fiftieth anniversary of the Bank itself and with the consummation of our long-deferred wish to see the rest equal to the paid-up capital, was very remarkable; and being followed so closely by the close of the great war, make the past year a very notable one in the history of the institution.

An Excellent Statement.

We have, therefore, many reasons for a feeling of jubilation on this occasion, and this is added to by the excellence of the statement which we have pleasure in presenting to you. The earnings of the Bank have been good, and the profits have again reached a new high level, amounting to $2,850,000, or $212,000 more than a year ago. We confess to a feeling of pride that we have been able to maintain the premier place among Canadian banks in this, to you, important item. Notwithstanding the apparent size of the figures, however, it must not be forgotten that the rate of earnings of this Bank, as of Canadian banks in general, is steadily decreasing, when measured by the services rendered and the extent of the effort put forth by our staff. On the average of our total assets during the year we have earned only seven-tenths of one per cent. as compared with 1.27 per cent. in 1913, the last year prior to the war, and 1.37 per cent. ten years ago.

Increased Services.

The main causes of this, as I have pointed out in previous years, are, on the one hand the enormous increase in the volume of those banking services which are performed for the public without remuneration, and the fact that banking is one of the new businesses in which charges are sometimes lowered but seldom increased, in spite of the general increase in the cost of everything else; and on the other, the increases in salaries and wages which are inevitable to enable our men to meet the great increase in the cost of living. It must not be forgotten that salaries and wages constitute the most formidable item of expense in the budget of a bank, and it will readily be understood that the responsibilities and the difficulties of dealing fairly with the members of our staff in view of the high level of the cost of living, are not small.

Depreciation Unnecessary.

An unusual item in our Profit and Loss account this year, which affords us much gratification, is the recovery of the appropriation of $1,000,000 set aside in the year 1915 to provide for the depreciation of securities. We then expressed the hope of saving this, or at least a part of it, at the end of the war, and it is a source of satisfaction to find our prediction fulfilled.

On the other side of the account, our disbursements in the way of dividends and the bonuses to shareholders, and the amounts required to pay the special war tax on bank-note circulation and for the officers' Pension Fund, are the same as a year ago. Subscriptions to various funds of a patriotic nature, almost all of them the direct outcome of the war, have called for $102,550.

A War Memorial.

We have set aside $100,000 to defray the cost of a memorial we propose to raise in honor of the officers of the Bank who served in the great war, and for the cost of the history of the Bank to which I referred a year ago. The form of the memorial is not yet decided, but it will probably take shape when we come to erect a new building on our site here, an undertaking which cannot long be delayed if the natural development of the business of the Bank is not to be hindered by cramped and unsuitable quarters. After doing all this we have been able to transfer $1,500,000 to Rest Account, which thus becomes equal to the paid-up capital, a goal which we have aimed to reach for many a day, but which has called for long years of tireless striving before we could consider it as fairly won. We might perhaps have made a better showing on the surface and have seemed to reach our goal in a shorter period of time, but our wish has been to build surely and carefully upon a firm foundation, and in the meantime to provide beyond peradventure for every weak spot in our loans and securities. We carry forward into the new financial year an undivided balance of profits amounting to $1,444,842, or $112,000 more than a year ago.

Note Circulation.

Turning now to the General Statement, the first item of our liabilities is notes in circulation. These amount to the very large sum of $31,583,000, or $7,588,000 more than a year ago. This increase is not far from double the large increase reported last year, but we think that the reasons advanced for it then still hold good, although it is possible that in addition there may be a certain amount of hoarding by a class of munition-workers who adhere to old habits and hide their savings rather than entrust them to the care of a bank. If so, this cause should soon cease to operate, and we shall watch with much interest the course of the note circulation during the next few months, in which the greatest amount of contraction always takes place each year.

Increased Deposits.

The increase in our total deposits is $76,733,000, or 27.7 per cent., and the greater part of this is under the heading of deposits not bearing interest, which accounts for $64,552,000. Deposits bearing interest show an increase of $12,181,000, an amount which would have been much greater had it not been for the Victory Loan of 1918. If we turn to the monthly statements to the Government we shall find that deposits payable after notice dropped $18,853,000 during November, which is solely due to the Victory Loan. On the other hand, it must be remembered that under the arrangements made by the Government for the deposit of the proceeds of the Victory Loan with the banks from which the money was withdrawn, a large part of this money is still at the credit of the Dominion Government, subject to its requirements.

How to Save.

Once again the Minister of Finance and the organization which controlled the Victory Loan campaigns have won an outstanding success. The Victory Loan of 1918 was over-subscribed many times, and without the use of any compulsion save the mere breath of public opinion the Government has been provided with more than the sum which it required. Yet, as I pointed out last year, the lesson in how to save, so strongly impressed upon the community by these campaigns, is their great result from the national point of view. Who may venture to predict what the knowledge thus acquired of how to invest savings wisely may mean to Canada in the years to come? Except for the increase in the productive capacity of the country, this is perhaps the greatest material benefit derived from the war. Alongside it the loss of a few millions of deposits to individual banks is a very small matter, which, if the lesson is thoroughly learnt, will require only a short period of time to remedy itself.

Bank Helped Loan.

Our efforts to assist the Minister of Finance in obtaining subscriptions to the Loan have resulted in our securing through this Bank the large sum of $104,543,000, represented by 150,773 individual subscriptions. This amount included $100,000,000 of new money, and represents 15 per cent. of the total. It is gratifying to know that we have far exceeded the proportion which might be reasonably expected from us. This result has not been obtained without very strenuous efforts on the part of our staff, and also the expenditure of a large amount of money by the Bank. Unfortunately, the heavy task came upon our staff just at the moment when their ranks were depleted by the ravages of influenza. In connection with this, as well as previous loans, we shall also be required to perform for the Government special services, such as the payment of coupons and interest during the term of the loans, the last of which does not mature until the year 1937. The Canadian banks were also called upon during the year to assist in the Dominion Government financing to a large amount, and we assumed our full share of these advances. In addition we participated in a loan of $100,000,000 to the Imperial Government against Treasury Bills and renewed the advances made against similar security to the Imperial Munitions Board.

Finance Food Supplies.

Acceptances under Letters of Credit, offset in our balance sheet by the corresponding liability of our customers which appears among the assets, show a large increase, represented by advances in Canada and the United States, secured in nearly every case by food supplies purchased for account of the Allies. Cash on hand, consisting of gold and silver coin and Dominion notes, amounts to $61,971,000, as compared with $54,652,000 a year ago, an increase of $7,319,000. Of this we had $17,500,000 in the Central Gold Reserves to provide cover for our excess note circulation. Our total holdings of gold and silver coin—principally gold, but including the necessary silver for the tills of the branches—are slightly lower than a year ago. We hold, however, a much larger amount in Canada, in the carrying out of the views I expressed last year in referring to this subject.

Maintain Gold Standard.

This was not accomplished without difficulty, owing to the embargo placed on exports of gold by the United States Government and to the demands of that Government; and the effort to increase our holdings has been further hampered by the decline in the output of the Canadian mines caused by the present high cost of production. It is gratifying to find a substantial agreement with our views on this subject in the report of the Imperial "Committee on Currency and Foreign Exchanges After the War," of which Lord Cunliffe, Governor of the Bank of England, was Chairman. In its first interim report this committee has emphasized the imperative need that the gold standard should be effectively maintained in Great Britain, and that the necessary measures to this end should be taken without delay. Similar measures are being urged in the United States by a not uninfluential section of the press, and it is disquieting to hear a discordant note sounded in certain influential circles in this country. We think that the Government could well afford to pay a small royalty to encourage an increase in the production of the gold mines of Canada. The conditions of the last two years have very adversely affected the mining of gold, especially as compared with silver, and in the interests of the country we believe that the Government should seriously consider some plan for placing this industry on a profitable footing.

Large Volume of Transactions.

The next item of the assets, consisting of notes and cheques and balances due by other banks, shows an increase of $3,830,000, almost all of which is made up of larger holdings of cheques on other banks, which constitute the daily exchanges. This increase is due solely to an increased volume of current banking transactions. Securities of various kinds have increased $16,183,000, represented principally by larger holdings of British and Canadian Government securities. On the the other hand, railway and miscellaneous securities have decreased slightly. Call and short loans show an increase of $8,324,000, of which the greater part is in loans outside Canada, and immediately available assets are $35,682,000 greater, standing at about 50 per cent. of our liabilities to the public. Commercial loans show an increase of $52,621,000, nearly all of which is lent in Canada. While there is no doubt a good deal of activity in such manufacturing as can be carried on under the circumstances of the past few months, a large part of this increase is due to high prices and to delay in realizing on our wheat and other produce, which has been reserved by the Government. The delay in this connection, while no doubt largely inevitable under existing conditions, has a prejudicial effect on those immediately concerned. With the passing of the era of high prices, especially those of farm produce, and a return of wages to a more normal level than that of munition-making, we must expect to see decreases in the volume of both our loans and deposits. Indeed, it will not be surprising if the figures of the present balance sheet are not exceeded for several years to come.

Total Assets Increase.

The principal change in the item of Real Estate other than Bank Premises is occasioned by our having paid off a mortgage on the Eastern Townships Bank building in Montreal. We also paid at maturity the mortgage on part of the property adjoining the site of this building, acquired some years ago for the extension of our Head Office premises; this, and the purchase and remodelling of a building for the use of our Three Rivers branch, are the principal items accounting for the net increase of $254,000 in Bank Premises account. Total assets have increased $95,935,000, and now amount to the very large sum of $440,310,000. This increase is 27.8 per cent. over the figures of last year, a remarkable showing when it is recalled that we have been marking time in the opening of new branches, and that we have not taken over the business of any other bank.

Mexico Branch.

We have continued to keep our office open in Mexico in the expectation that general conditions in that unhappy country would so improve that it would enable us to operate at some profit. We hope, now that the great European War is over, that the Mexican authorities will see their way to guard the interests of foreign corporations, so that we shall not be compelled to withdraw from what would be, under ordinary conditions, a profitable field for banking. Should we be disappointed in our expectations, however, we should not be exposed to any undue loss, as we have from time to time continued to make appropriations against our investments there.

Reinstate Returned Men.

With regard to the staff, it is our desire to reinstate all officers who wish to come back to our service from military duty, and at the same time to avoid any hardship which might be created by dispensing with the services of the members of the temporary staff, who have filled the breach so acceptably during the past four years.

With sorrow we record the death in action of eighty-five additional members of our staff during the past year, making a total of 226 who have been killed in action, or have died of wounds, since the outbreak of the war. The number of wounded men reported to us has now reached 294; 7 are still recorded as missing and 23 as in the prison camps. Under the terms of the armistice we trust that these prisoners have now been successful in reaching allied or neutral countries.

Increase Export Trade.

A year ago I urged the importance to Canada of stimulating the production and export of food, the need of organization for the purpose, and the attractiveness of the outlook for this branch of commerce. The ending of the war has in no wise dimmed the prospect. The last number of The Agricultural Gazette, the official publication of the Dominion Department of Agriculture, contains an appeal from the Dominion Government along similar lines, and particularly emphasizes the bright prospects of the meat export trade. Speaking of the outlook before this country now that the war has ended, the Minister of Finance, Sir Thomas White, writes: "There would seem no reason to apprehend any failure of markets for all the food that Canada can produce. Our grain, livestock and their products, with those of our fisheries, should all be in keen demand at high prices...... Increase in our agricultural production will not only help to furnish food for a hungry Europe, but will be a chief factor in maintaining our favorable international trade balance as well." All countries are seeking to increase their export trade; all are hoping to be sellers, and to limit their purchases. Under such conditions the successful ones will be those which have special natural advantages for a certain line of production and which can find a market for the same line of goods. Is there any country better fitted than Canada for the production of food, or any branch of commerce in which an ample market is more assured!

Sane Spending.

Any number of plans are afloat for the carrying on of large public works after the war. These are advocated on all sides in the hope that the era of free spending may tide over that of falling prices. Few of the promoters, however, appear to have considered where the money is to come from. By all means let a wise and statesmanlike view of the matter prevail, and all public works be undertaken which are in the best interests of the community, having regard to all aspects of the question. But let it not be forgotten that such works have to be paid for sooner or later out of the taxes, and the hope of every citizen at the present moment, I may safely say, is to see his tax bills reduced, rather than largely increased. Even public borrowing cannot indefinitely postpone the evil day of payment.

Reconstruct with Savings.

Some of our municipalities are already hampered by the load of debt incurred in former eras of prosperity, and no one would advocate any considerable increase at this time in the national debt of the Dominion. The safe course is wisely set out in the Cunliffe report to which I have already referred. After speaking of the pressure that is sure to be brought to bear upon the State for capital expenditure in many forms for reconstruction purposes, it points out that all money expended on reconstruction work should come out of savings and not be obtained by the creation of new credit. The burden of prevailing high interest rates in the case of such works has also to be considered, and although the outlook as to value of money after the war is uncertain, it seems probable that current rates in England are held below the natural level at present by war-time regulations, and that when these restrictions are removed, rates may tend upward rather than downward. It is clear that the importance of saving and economy in personal expenditures as a public duty will not be lessened by the ending of the war, but, if possible, increased.

Trade Problems.

The task of dealing with the trade problems of Canada has already been taken up in earnest by a number of associations, and some good preparatory work has been done. Attention is also being devoted in various quarters to scientific research into the problems of business and manufacturing, which proved such a valuable feature of the German methods. The value of co-operation among exporters in the development of export trade has been recognized by law in the United States, and it is in the field of foreign trade that banking credit has also a part to play. Is not this one direction in which we have an advantage over the United States, through the existence of banking institutions experienced in the granting of the necessary credit, whereas much of the machinery for this purpose in the United States has been called into existence solely for the occasion, and is forced to work along unfamiliar lines? On the other hand, we must not forget the energy with which our neighbors carry out any task they undertake, lest we should ultimately discover that the new broom has swept the field bare. It is interesting to note in this connection that the London Statist is of the opinion that after the war Canada will prove more attractive to emigrants than the United States, and that thus the drain upon the manpower of this country made by the war will be more than remedied.

The Future.

As to the future, we feel that we can look forward with quiet confidence. The multifarious restrictions which have necessarily been placed on business during the war will doubtless disappear before long, and they should be removed by the Government as speedily as possible. This will aid in lessening unemployment at home, and enable our exporters to resume their operations in other countries before the field is occupied. Attention should also be given to the prompt settlement of all outstanding contracts and obligations of the Government, and to the claims arising out of the cancellation of contracts. These are sometimes allowed to drag, causing great injustice to individuals and corporations, and preventing them from resuming their accustomed place in the peace activities of the nation. By prompt attention to such matters, the Government can assist materially in the restoration of a normal state of affairs in the business world. We have been fortunate in this country in that our participation in the war has not involved material damage at home. Our efforts have entailed no exhaustion on our part, and while the problems before us are many and difficult, we believe that a satisfactory solution will be found for all of them.

The President then said:

President's Address.

The war is over and we are struggling with the terms which we intend to impose on Germany. One turn of the kaleidoscope has changed the aspect of almost everything in our daily life and in our mental horizon. Only yesterday we were bending every faculty as a nation, and as individuals to the thousand different kinds of effort necessary to win the war. We had completely disrupted the co-operation of individuals in the various pursuits of life which are necessary to the happiness of society in times of peace, and men and women were drawn either into military and munitions work, or into the production of food, almost to the limit of our powers. Now the work in munitions factories has stopped, our armies will return, and from 500,000 to 600,000 men and women, an enormous proportion of our small population, will have to find new kinds of employment. The enlistment of soldiers, and the withdrawal of others from peaceful occupations to the making of munitions, took four years to reach a climax, but the reverse process comes upon us in an instant. We shall in the end have work for all, but much that could have been started at once in spring or summer is impossible in winter. The troops will come home gradually, and as six months' pay is to be given to some of them, and smaller allowances to others, our anxiety regarding them is partly removed. The munition workers, however, cannot be shifted to new employment fast enough to prevent there being a considerable number out of work during this winter.

Our Foreign Trade.

In order to appreciate the scale of industrial events we turn as usual to the figures of our foreign trade. Disregarding coin and bullion, which have fallen to inconsiderable figures, the excess of exports, for the fiscal year ending 31st March amounted to $623,647,000. The excess for the two previous years, large as it was when compared with the past, was $563,795,000, or considerably less than for the one year under consideration. Our total foreign trade was $2,548,691,000, as against a total of $1,129,616,000 in the year ending 31st March, 1914, but we had passed the crest of the wave before the war ended. The year ending in September 1918, consisting of the halves of two fiscal years, shows a smaller volume of trade and surplus exports of $504,242,000. Now that the war is over, we shall study with intense interest the figures of our foreign trade in the immediate future.

The decline in foreign trade for the year ending in September was partly due to smaller exports of manufacturers, but mainly to smaller exports of wheat. The enormous surplus of $623,647,000 during the fiscal year ending in March was due to an increase in exports of $406,958,000, while imports increased in pastoral and agricultural products was $241,442,000, and in manufactures $173,527,000. This would seem to be very satisfactory indeed, were it not that for the bulk of our exports we give long credit to Great Britain, while for our imports we must pay in international money; so that this surplus in exports, much as it adds to our prosperity, carries with it difficult financial problems. It is interesting, therefore, to turn to our imports and to consider how far we ought to be able to produce them ourselves.

Unnecessary Imports.

For iron and steel, in forms used as raw material for manufacturing, we spent abroad over seventy-five millions; for carriages of all sorts, including motor carriages, wagons, railroad cars, horse carriages and for rubber tires, etc., we spent twenty-five millions; for gasolene, steam and other engines and for electrical apparatus, we spent twenty-five millions; for petroleum, twenty-five millions, and for paper in various forms seven millions. I mention these particular items because we already produce part, and we expect eventually to produce the whole, of our requirements in all of them. If we could do so now we could face the future with complete assurance as to our financial position as a nation, and with the best possible market for our farm products—that at home. We cannot avoid the purchase of coal for some parts of Canada, great as our supply is in other parts, but an expenditure abroad of eighty-two millions for coal and coke raises sharply the question of whether we are doing the best that is possible under the circumstances. Our import figures, as in other war years, are swollen by an item of $130,773,000, covering military stores, munitions of war, etc., "importer and remaining the property of the Imperial Government," and we can judge of the sudden change that peace will bring by an item among our exports: cartridges—gun, rifle and pistol—$351,539,000.

The field crops of Canada for 1918, the figures of last month being only an estimate, are valued at $1,383,000,000, as against $1,145,000,000 for 1917, the actual value that year being larger than the estimate. The total production from our mines is estimated at $220,000,000, as compared with $189,646,000 in 1917 and $177,201,000 in 1916.

International Balance.

Such a surplus of exports over imports as $623,000,000 would, if we were paid in international money, make us financially rich beyond imagination, and it would put New York exchange, the real test of our internation position, at a discount. As a matter of fact New York exchange has lately been at a high premium, because with all our exports we cannot command enough international money to keep the balance even. At the moment, because of transportation difficulties, we are carrying a very large amount of wheat sold to the British Government. If in settlement we received even a moderate payment in cash we could keep the rate for New York exchange fairly low, but there is no assurance that any part of what is due will be paid in money useful for international settlements. We have pointed out before the extent to which we make purchases from the United States which must be settled in cash, and for which, directly or indirectly, we receive from Great Britain only long-term obligations. This year conditions are not improved, despite large orders for munitions given by the United States to Canada. Comparing the year ending 31st March, 1918, with the previous one, we imported from the United States goods to the value of $792,000,000, as against $678,000,000, and we exported to them $418,000,000, as against $290,000,000, so that we owed them on balance $374,000,000 instead of $388,000,000. During the six months ending September, 1918, matters did not improve; the scale of imports and exports was larger, but the resulting difference against us was proportionately about the same.

Cost of the War.

The cost of the war to Canada as at 30th November, with all outstanding items carefully computed, was about $1,125,000,000, as compared with $685,000,000 up to the corresponding date a year ago. The balance due to Canada by Great Britain, in the open accounts between the two countries, is about $170,000,000. If we desire to consider the extent to which Great Britain's debt to Canada on war account may help our finances by its liquidation at a future time, we have to add to this $200,000,000 due to the Canadian banks by the Imperial Government.

The Victory Loans.

In November, 1917, the first Victory Loan (the fourth Canadian War Loan was offered. The sum asked was $150,000,000, and 875,000 people subscribed $421,000,000. The figures we quoted a year ago were largely exceeded when the returns were completed. This issue was made at 98.67, and if it had followed the fate of most war loans, it would have declined in price somewhat before the next loan appeared, but the organization which made the issue so successful took care of the market so well that, while a very considerable percentage of the loan was turned over from day to day, the issue price was not merely maintained, but was raised to par by July, 1918. As a consequence, when the second Victory Loan came out in October last, the Finance Minister was able to make the issue price par with accrued interest. The latest figures for this loan show that, while $300,000,000 was asked, 1,080,000 people have subscribed for $690,000,000. We were very proud that the subscriptions to the loan of 1917 reached a total of $53.37 per head of our population, but the amount subscribed to the 1918 loan was $88.10 per head. In 1917 one citizen in every 9.02 bought a bond, and in 1918, one in every 7.25. The largest amount subscribed per head was in Ontario, where the average was $128.75, and where one in every 4.94 bought bonds. The smallest was in Prince Edward Island, where the average was $32.13, and one in every 17.33 bought bonds. In these calculations the population is estimated at 7,821,200. This is not an official estimate, but it was made with great care.

Canadian Securities.

Sales of Canadian securities were only a trifle larger than for the calendar year 1917, but the table below will show that they were almost entirely absorbed in Canada:

Securities.	Total Sold.	In Canada.
*Government	$704,632,729	$675,869,396
Municipal	45,805,720	43,099,820
Railway	5,000,000	....
Public Service Corporation	2,375,000	1,375,000
Miscellaneous	5,155,000	3,505,000
Total, 1918	$763,968,449	$724,849,216
Percentage	100%	94.87%
	In U.S.	In Gt. Britain
*Government	$25,600,000	$3,163,333
Municipal	2,705,900	....
Railway	5,000,000	....
Public Service Corporation	1,000,000	....
Miscellaneous	1,650,000	....
Total, 1918	$35,955,000	$3,163,333
Percentage	4.70%	.43%

*Government issues include $3,500,000 Government of Newfoundland Bonds and $2,000,000 of the French Republic Bond issue, which were absorbed by the Canadian market.

This, as compared with anything in our past, is very surprising. Not only are both of our huge Victory Loans at a premium, but the general course of our bond market has shown o corresponding improvement. While it opened in 1918 at the lowest level of prices, and therefore at the highest yield in interest that we have seen for years, it has improved so that the yield is now from one-quarter to one-half of one per cent. less than at the beginning of the year. Not only have we taken care of all new requirements, but we have paid off loans maturing in the United States to the amount of about $40,000,000. Now that the war is ended, we must expect large issues of Provincial and municipal bonds, and these should find a ready market either in Canada or in the United States.

American Finance.

The financial and trade situation in the latter country is very fully set forth by our New York agent, and the history of American finance during the war is dealt with at length. It is difficult to realize that, in spite of their coming into the war so late, their industries were apparently almost as completely diverted to war purposes as those of other allied countries, the expansion in particular directions, and in foreign trade generally, being without example and beyond our imagination of what was possible. One or two items from his report give us some idea of the scale of their operations. The disbursements of the Government for the fiscal year ending June, were about $13,000,000,000, of which $4,738,000,000 were loans to allies. The estimated expenditure for the year ending June, 1919, was $24,000,000,000, but it is thought that in view of the armistice this will be reduced to $18,000,000,000. The total loans to allies in November last were stated to be $8,185,000,000. Nothing is more impressive than the fact that of these colossal expenditures one-third is raised by taxation. It has been frequently said that without the Federal Reserve System of banking the United States could probably not have financed the war without more or less collapse of her financial system. It is equally true that the System has permitted an expansion of credit which, notwithstanding the importation of over $1,000,000,000 in gold since the war began, has gone far enough to require a very conservative course for the immediate future.

Great Britain's Task.

This may be a good point at which to consider the position of Great Britain. The report of our London manager should be read by everyone who desires to realize the part that country has played in the war. Unprepared—except as to that navy which by blockading Germany really won the war—she raised a vast army, which, like none of the other armies, fought in all the widely separated areas of the conflict. For two years, while we waited the entry of the United States, she bore the heavy part of the whole war, lending money, supplying munitions, coal, food, sympathy and advice to her allies. In resourcefulness, invention, daring and unyielding courage, whether in the trenches, at sea, or especially in the air, she astonished her own children, and she amazed that part of the world which has never understood her, unless it be now that the war is won. When the war began she had a debt of three and a half billion dollars. If we deduct what she has lent to her allies, and certain other recoverable items, she will probably owe twenty-two billions of dollars, at a rough estimate. From the first report of the Committee on Currency and Foreign Exchanges After the War, it is clear that the mind of the British banker is steadily bent, not upon further possibilities of inflation, but upon recovering the gold position of Great Britain as soon as possible.

Gold Reserves.

The Bank of England has the largest quantity of gold in its history, but its ratio of reserve is low, and the new Government issues of £1 and 10-shilling notes have reached the large total of £293,790,000. Great Britain controls a large percentage of the new gold produced throughout the world, and in the scramble for gold which we shall doubtless see for many years to come she will have the best position. In raising money for the prosecution of the war she has shown a wonderful confidence in her people, as to their power, as well as to their willingness, to provide whatever was necessary, week by week, and she has latterly avoided the large issues at particular moments which have so disturbed finance elsewhere. She at first alarmed some of us by the vast amount of Treasury bills which she kept afloat, but later in 1917 she seemed to have "found herself," and sold National War Bonds and War Savings Certificates in a steady stream through banks and postoffices, to a sufficient extent and to meet her needs of £25,000,000 per week.

War Finance.

What she was not able to pay was her indebtness to the United States and Canada for munitions supplied, as this required international money, that is, gold or balances due by foreign countries. She had shipped to the United States, either directly or through other countries, over $1,000,000,000 in gold, as well as a large amount of securities, and had closed down her manufactures for export in order to produce munitions, and thus, after making huge loans to the allies, she began to require those outside loans which are now roughly estimated at about $5,000,000,000. Her loans to the allies are supposed to balance the loans she obtained abroad, and we need have little fear that she will not very soon re-establish her supremacy in the field of finance throughout the world, great as are the difficulties surrounding her position. Committees are discussing every phase of her industrial and financial future, and it is realized by her, as we wish it were in some other countries, that uncertainty as to the conditions which will surround her industries is the greatest of all enemies to progress. She will doubtless relax only slowly the regulation of trade and finance made necessary by the war, perhaps still rationing raw materials, recognizing the priority of essential industries, supervising new issues of securities and checking the exports of capital.

War Production.

We have endeavored during the war to give some idea, even if the information were fragmentary, of the scope of munition-making in Canada, especially the work of the Imperial Munitions Board. This year we have been anticipated by the excellent Government publication entitled "Canada's War Effort 1914-1918," published not as a final record but as an inspiration for the "fifth year of the war," "the prelude of a greater effort still to come." That the work being done was beyond all expectation we felt to be our excuse for special reference to it, but few of us were prepared for the unstinted praise given by the Premier, Mr. Lloyd George, and by Mr. Churchill, shortly after hostilities ceased. Mr. Churchill telegraphed to Sir Joseph Flavelle as follows:

> "As an armistice with Germany has now been concluded, I wish, as Minister of Munitions, to congratulate you, and through you all your staff, on the splendid work of the Imperial Munitions Board during the last three years. You have carried through a work of the greatest magnitude with uniform success and efficiency, and I wish to pay my personal tribute to the great ability, energy and organizing power you, as Chairman, have shown. Canada's remarkable output of munitions has played a large part in the munitioning of the British armies, and will remain a testimony to the high value of the work of the board in this great struggle. . . . Before August, 1919, no Canadian manufacturer had ever made a shell or a cartridge case or a fuse, but already in the second half of 1917 it was producing 55 per cent. of the shrapnel shells, 42 per cent. of the 4.5 shells. 27 per cent. of the 6-inch, 15 per cent. of the 8-inch, and 16 per cent. of the 9.2-inch shells used by the British armies. The Imperial Munitions Board, created in November, 1915, is an integral part of the British Ministry of Munitions, directly responsible to the Minister, and the British Government was financially responsible for all its expenditure."

Vast Orders.

We have already been told that the value of the orders placed in Canada on British account exceeded $1,200,000,000, covering munitions, ships, airplane timber and sundry war supplies, but it is more interesting to hear that actual cash disbursements had been made down to two months ago, amounting to $1,075,000,000. Some of the material represented in these purchases is as follows:

Steel Forgings	$75,600,000
Shells	68,300,000
In the production of these forgings and shells upwards of 2,100,000 tons of steel have been used, of which 1,600,000 tons were produced in Canada	
Copper Bands	73,600,000
of which 23,000,000 were produced in Canada.	
Fuses	29,000,000
of which 19,000,000 were produced in Canada.	
Powder	81,000,000 lb.
High Explosives	75,000,000 lb.
Steamships built, under construction and under contract:	
Wooden	46
Steel	44
with an aggregate of 340,100 tons dead-weight and an aggregate value of	$64,500,000
Aeroplanes built	3,000

In addition to this seven national plants were built at a cost of over 15 millions, the capital being largely written off already as part of the cost of manufacture. Acetic acid was being made in a plant costing over a million and ferrosilicon in two plants. Carbide was being shipped at the rate of 700 tons monthly. The Board arranged the purchase of timber in Canada for all purposes in Great Britain, private as well as Government. Of the special timber used in constructing aeroplanes in Great Britain, Canada suplied 40 per cent. How important this was may be gathered from the following statement telegraphed by the Controller of Timber:

> "It is a notable performance. To have increased production to this extent is a great achievement. This increase should enable us to look forward with some confidence to being able to meet the requirements of the Aircraft Production Department during the year."

Some idea of the work of the Transportation Department of the Board may be gathered from the fact that the volume of inland traffic to and from machinery plants in 1917 was 1,600,000 tons, while 785,000 tons were shipped overseas.

It is interesting to record that, to the mutual advantage of both countries, as our equipment and organization had been released from the production of ammunition for Great Britain, orders were placed in Canada by the United States Ordnance Department.

Agricultural Supplies.

The expenditures for war supplies apart from those of the Imperial Munitions Board are more difficult to trace than last year. During the period of the war the Department of Agriculture bought for the British Government oats, hay and flour to the value of a little less than 100 million dollars, and before the war ended they had already begun to buy hay for the United States Government. The War Purchasing Commission recently undertook to supervise the expenditures of other departments, in addition to war disbursements, and these two cannot be readily separated, but altogether we can trace expenditures on war account of from 70 to 80 millions during the past year.

Except in this part of Canada few people realize what the work of the Royal Air Force in its six camps has meant in the successful prosecution of the war. Upwards of 20 millions have been spent on equipment and maintenance, and although it is a branch of the British service and not of the Canadian, we have the proud satisfaction of knowing that among those trained in these camps were 3,500 Canadian officers and 6,000 Canadian mechanics.

War Accomplishment.

It may be well to recall what we have accomplished during the period of the war in matters which have a bearing on our industrial and financial future. We have increased the deposits by the public in our banks, from July, 1914, to November, 1918, by 587 millions, of which 268 millions is of the interest-bearing or saving class. We have purchased securities issued by the Dominion Government and others amounting roughly to one billion four hundred millions, having regard to the securities issued in Canada, but since sold abroad, and securities bought back from foreign holders. The Dominion Government and the banks have lent to the Imperial Government at least 370 million dollars. We are also carrying on behalf of the Imperial Government a large part of the wheat crop of 1918. The circulation of bank notes has increased by 140 millions, of which, however, 127 millions is covered by deposits of gold or legal tenders in the Central Gold Reserve.

Balance Our Borrowings.

The issue of legal tender notes by the Dominion Government, not covered by gold, was at 30th November, 221 millions; but while some of this is an addition to the national debt, a considerable part of it is issued under the Finance Act to facilitate the movement of products and should thus in time disappear. In the early years of the war we sold securities in the United States, and if in winding up our war accounts we find that Great Britain owes us about as much as we have borrowed abroad since August, 1914, we shall have the proud satisfaction of having paid our share of the cost of the war out of our own pockets. On the one hand, we shall know that in the greatest emergency in the history of the world we did our part; on the other that we now have a sort of great national ledger in which vast sums stand at the credit of some of our people, to be paid by our people as a whole over a series of years.

New Activities.

So far as tangible objects of wealth are concerned we are hardly better off than when the war began. We have created many new factories and plants to make instruments of war, and acquired much skill in working these plants; we have large additions to steel and other plants immediately available for works of peace, and we have new shipyards, but because of four years of concentration on war, we are in need of supplies in many directions. In addition to the resumption of activities in every form of production existing before the war and the beginning of many new activities, we need large expenditures to make our country roads fit for modern systems of transportation, and, frankly, we have waited long enough for this. Anyone acquainted with the traffic on the Toronto and Hamilton Highway will need no further argument as to the business utility of such improvements. We need dwelling houses by the thousands in many districts, and other buildings only await a reasonable adjustment of the present high cost of erection. Our farmers are richer than ever before and will doubtless require farm improvements on a very large scale. We need large expenditures on railways in every direction, greater mileage, more engines, more cars, and better terminals. We need ocean ships to help us compete for the trade of the world.

Finance Reconstruction.

There will doubtless be considerable foreign trade open to those who can compete for it, but it will not be obtained without a struggle which leaves no room for lack of skill in manufacturing, of the knowledge of costs, of the power of finance, and of the facilities for transportation. If we can finance part of the reconstruction of Europe as we have financed the making of munitions for Great Britain we shall probably get a fair share of the business now that we have a Trade Mission in existence for this purpose. For a time there will apparently be a market for all foodstuffs, and the demand for agricultural implements should keep our factories very fully employed. Lumber mills should readily sell their product, and doubtless many industries which attained success under our rather difficult pre-war conditions will battle successfully for a share of foreign trade. The recent announcement that orders for lumber valued at forty millions of dollars will be placed in Canada, and will be financed by the Dominion Government, is the first result of our Trade Mission.

Cattle Market Abroad.

There is such a scarcity of cattle throughout Europe, and the work of building up reserves is so slow, that we may expect a good market for some years to come. An admirable report by the Canada Food Board shows that, based on the number of animals to every hundred acres of farm lands, we are still at the bottom of the list as producers of cattle, sheep and hogs. That we should have only about one-fourth as many cattle per hundred acres as Holland or Denmark, and only about one-half as many as Great Britain or France, is not so strange as that we have not as many as the United States. Of Great Britain's immense requirements we supply only about 3 per cent. We do not count at all so far as sheep-raising is concerned, and if, as is estimated, the world's supply of wool will not be normal for six years, the opportunity is evident.

Hog Production.

It is however, our relative standing as a producer of hogs that is most surprising. We raise only three hogs per hundred acres of farm lands, against every 8 in the United States, 19 in Holland, and 22 in Denmark, and we supply England with only 10 per cent. of her requirements. To repeat the words of this report, "the enormous possibility for development of the Canadian live stock industry is apparent." Our farmers have much more capital than ever before, and we hope that not only a larger annual supply of animals for the market will result, but much larger herds as the basis of supply.

Finance Purchasing Countries.

If we are to secure the increased production necessary to pay our debt and to prosper, we must recognize certain main points as essential to success. We must be able to lend money to many of the purchasing countries, a condition never present in our export trade before the war. We can readily sell at good prices the products of our farms and pastoral areas, and of our forests and mines. We can find good markets for the manufactured goods which appeared in our exports before the war; agricultural, traction and electrical machinery, paper, pulp, and other articles. For the time being, and we hope permanently, we can build ships, railroad cars and engines, for other countries as well as for ourselves. But we can only keep export trade permanently by a superiority over other manufacturing nations in at least some respects.

Water Power Asset.

We have at least one asset of great significance. We are possibly better supplied with water powers of great future possibilities than any other country in the world. Except in the Maritime Provinces and in one Prairie Province, we can provide almost every important industrial centre with Hydro-Electric power. In many countries possessing water powers their value as a national asset is prized so highly, that we may be left in the background if the problem of gradual development at the minimum of cost is not soon solved. This must be worked out on terms of equity both as to proper distribution of such a priceless asset, and as to the rights of the private capital invested therein, with full assurance as to the sacredness of contract. We have more than once drawn attention to the necessity for industrial bureaus where some of the troubles of the manufacturers can be solved, and for such investigations as those carried on by the Honorary Advisory Council for Scientific and Industrial Research at Ottawa. We are told that we have not in Canada a sufficient number of students available for research work, and this is no doubt quite true. It unfortunately reflects the inability of our universities, because of quite inadequate incomes, to afford the opportunities for training and study which the conditions of our country demand.

Peace Problems.

We can now start afresh with the problems of peace, conscious that greater effort is necessary for the future, but that we are able to do many things thought impossible before the war; that our war burden, heavy as it is, is lighter than that of several of the leading nations, and that with our small population and vast country we should be able to attract immigration more successfully than ever in the past. Our war debt, at least that part of it which is held at home, will not seriously interfere with our power of production. Our heaviest burden will still be the annual sum we must pay for interest on our debts to other countries. Because of securities floated in the United States during the war, this is now about 185 millions. If, therefore, living in our comfortable way, we could provide for our public and private improvements by loans at home, and export more than we import to a sufficient extent to enable us to pay this foreign interest, we should prosper and not feel the cost of the war too much. I am aware, however, that we have a small population and a great country to develop, that immigrants may come in large numbers, that railway building is far from being at an end, and that our credit will be good in all markets where money can be obtained. So that although our Victory Loans have taught our people to invest their savings in securities, and have made manifest an ability to absorb securities which has amazed us, we shall doubtless, as in the past, borrow abroad for our larger schemes of development and thus still further mortgage the future of this country. The wisdom of borrowing depends in each case upon the resulting gain in productive power, but as a rule we shall do well in the near future to look with suspicion upon loans obtained abroad, and to remember that the interest and amortization of such loans is, like the farmer's mortgage, the shadow over every working day.

A Development.

I must not close my remarks without a reference to the very marked change which has come about in the banking institutions of the world. Before the war modern transportation and the cable were so increasing the transactions between the various nations, that bankers in Great Britain and the United States not hitherto dealing in foreign exchange, were beginning to discuss the establishment of foreign branches. The war, by its huge demands on finance, accentuated by high prices, has had the effect of causing amalgamations of banks on a large scale, in order that adequate support to business might be possible under the new conditions. Several of these amalgamations have, however, been mainly for the purpose of joining British banks of deposit and discount of the ordinary type, to banks established for foreign business. One great American bank which has lately gone into foreign fields has already established 39 foreign branches, and announces that it will before long have one hundred such establishments; so that we, who have always been more or less in the foreign banking business, must look to our laurels. In the meantime, without any recent amalgamations, our own figures have reached a total which would have been most noticeable in any financial centre twenty years ago. We have not, however, even in connection with the several amalgamations in the past years, asked you to reconsider the remuneration of your directors, and a resolution in that connection will be proposed later by the Vice-President.

The report was then adopted unanimously. Some amendments were made to the by-laws of the Bank, one of which increases the number of directors to twenty-two and eventually to twenty-five. The retiring auditors were re-elected and the usual votes of thanks to directors and staff were passed. The new board consists of the following gentlemen:

Sir Edmund Walker, C.V.O., Z. A. Lash, K.C., John Hoskin, K.C., Sir Joseph Flavelle, Bart., A. Kingman, Hon. W. C. Edwards, E. R. Wood, Sir John Morison Gibson, K.C.M.G., Robert Stuart, George F. Galt, A. C. Flumerfelt, Hon. George G. Foster, K.C., Charles Colby, George W. Allan, K.C., M.P., H. J. Fuller, F. P. Jones, H. C. Cox, Charles N. Candee, J. S. Mitchell, Thomas Findley, W. W. Hutchison and H. R. Silver.

Sir Edmund Walker was subsequently re-elected President and Mr. Lash Vice-President.

CLEARING AIR ON THE RAILROAD QUESTION IN U.S.

One or Two Points Have Been Tacitly Agreed Upon

SECURITY HOLDERS

Roads Cannot be Turned Back, Says Mr. Cornwell, Until a System of Regulation Has Been Legalized

By WM. C. CORNWELL
In the Bache Review, New York.

The discussion of the railroad question, which has been precipitated, is already producing a certain amount of clarification of the subject. One or two points have been tacitly agreed upon. The first is, that certain advantages developed under Government control must not be lost in whatever plan is finally adopted. The second is, that security holders must be assured of returns on their investments. Any other procedure would be confiscatory, and further than that would make it utterly impossible to attract new capital to the railroad business of the country.

Under the first head of advantages developed under Government control, the annual report of the Director General, parts of which have been given out, shows some of these advantages. Unification of terminals is one, and the Railroad Administration reaches the conclusion that any congestion on the roads has not been due to lack of facilities for transporting goods. These, it concludes, are adequate and sufficient for the time being, but congestion and delays in handling the great volume of freight during the year were due, the report says, entirely to inadequate disposition facilities at terminals, and any serious condition of congestion obtaining on any trunk line en route has been the reflex of conditions at the terminals.

Some of the instances of unification of terminals and terminal facilities are given in the report as typical examples. The Southern Pacific, Atchison, and Western Pacific, each maintained passenger ferry service between Oakland and San Francisco. It was found that the Southern Pacific's ferry facilities were ample for the three lines; so it was possible to dispense with the ferry service of both the Atchison and Western Pacific at an approximate saving of $315,000 per annum.

Not mentioned in the report is the following instance where the parallel facilities of old rivals were converted into concordant use under unified control. Anyone who had travelled over the Southern Pacific in the days when it wound its lonely way for hundreds of miles on a single track over the endless wastes of Nevada, and who now takes the same journey, finds the loneliness relieved by another track appearing sometimes alongside and approaching very close and then winding off out of sight, but always returning, to run alongside again for miles. This is the track of the relatively new Western Pacific. Arrangements were made last fall by the Director General between the Southern Pacific and the Western Pacific for the operations of the 182 miles of parallel lines in Nevada as double track. The physical changes required to make the plan feasible were completed in November, and it is stated that nowhere are the two roads more than five miles apart.

In New York harbor all railroad marine facilities were consolidated under one manager, and have been used in common with very satisfactory results. The tugs and coal carrying barges of the Reading, Ontario & Western, Lehigh Valley, and Erie, were pooled under a single management with economy of expense and efficiency. All passenger trains of the Baltimore & Ohio, and through-passenger trains of the Lehigh Valley were brought into the Pennsylvania Railroad terminal in New York City.

A very large saving of train miles was effected by moving freight over the shortest practical routes. Millions of car miles were saved in this way. Non-essential and duplicated passenger trains of different companies over parallel routes were cut off, and the report claims that between the important terminals the remaining trains have been so spaced as to actually afford greater variety and extent of service than was possible heretofore where, through competitive conditions, the trains on the several lines practically duplicated each other.

Security Holders' Rights

In the line of protection on security holders, the discussion has developed an agreed opinion that the roads cannot be turned back until a highly developed system of regulation has been legalized, which will make rates and [illegible] and prevent the interests of security holders from being ground to pieces between the two millstones. Further in this direction the obstructive and costly interference of state commissions, it is conceded, must be eliminated.

Some glaring evils have developed under Government control. One of these is the arbitrary apportioning of cars to roads not needing them or unable to pay for them, and, in some instances, where the roads have refused to accept the burden, they have been punished by withholding much needed and justly due rentals. These are evils which should be remedied at once. It is impossible to believe that such instances have received the careful consideration of the Director General, and appear like decisions left to subordinates.

Finances Are Important

The Railroad Executives' plan provides for private ownership and operation under Government regulation, relieving the Commerce Commission of all executive duties and making it a quasi-judicial body on rates.

The most important recommendation is for a Secretary of Transportation to sit in the Cabinet. He would have similar powers to those of the present Director General as to distribution, rates, use of terminals, etc., but unification which is now accomplished would become a matter for emergencies only, and it would seem as though some of the advantages of the present control would lapse. The views of Judge Lovett, head of the Union Pacific, given out last week, are more forceful. He believes in powerful and exclusive National control, competition in service, but not in rates, Federal regulation of terminals, and the progressive unification of the various lines under sane control.

But the plans of the Railway Executives and of the Interstate Commerce Commission do not grapple with the financial problem in sufficiently forceful manner. This is the weak spot in the railroads. Their credit is mostly gone. Turned adrift under any proposals thus far advanced except Mr. McAdoo's, leaves them at the ebb of power to pay and rebuild. Mr. McAdoo proposes to have the Government spend at least $500,000,000 per annum in bringing the roads up to needed efficiency. Prompt endorsement of his suggestions would immediately put the whole railroad situation in prime order. It would eliminate an expense at least for the period of five years, which pertained to the roads under private control before the war—namely, the cost of bankers' commissions for new financing, the large total of presidents' salaries, and the heavy expense of attorneys' fees; all of which, if saved, would probably net the railroad treasury $1,000,000,000 a year.

AMERICAN TRADE WITH JAPAN

A Tremendous Increase Shown By Figures For the Past Year

Trade of the United States with Japan in the year just ended has shown a tremendous gain, especially on the export side. A compilation by the National City Bank of New York shows that the value of merchandise exported from the United States to Japan and its leased territory in China aggregated for the year about $250,000,000 against $134,000,000 in the fiscal year 1917. To Japan proper the total for the ten months ending with October, 1918, is $223,000,000 against $126,000,000 in the same months of 1917, and only $81,000,000 in the corresponding months of 1916, while to Japanese leased territory in China the total for the ten months of 1918 is $5,780,000 against $3,624,000 in the same months of 1917, and $922,000 in the corresponding months of 1916.

This new trade with Japan's leased territory in China is especially interesting, showing as it does a very large increase in both imports and exports, and representing food products drawn from that territory and manufactures sent to that area. The value of merchandise imported from Japanese China in the ten months ending with October is, in round terms, $25,000,000 against slightly less than $10,000,000 in the same months of 1917, and a little over $1,000,000 in the corresponding months of 1916, and represents chiefly soya bean oil, while merchandise sent to that area, amounting to nearly $6,000,000 in the ten months of 1918, against less than $1,000,000 in 1916, consists of various manufactures, but especially boots and shoes, and certain lines of machinery. In men's boots and shoes alone the value of shipments to Japanese territory in China was, in the ten months ending with October, 1918, nearly $2,000,000 against practically nothing in the corresponding period of the preceding year, and the quantity of soya bean oil imported from Japanese China $20,285,000 against $9,314,000 in the same months of 1917, and $1,381,000 in the corresponding months of 1916.

ADVERTISERS AND "TROUBLE BREEDING PUBLICATIONS"

Continued from page 17

prostitution. You can buy poison. You can buy rotten eggs. Simply because you can buy them is no adequate reason why you should buy them. If you "buy circulation" whose net effect is to sap and undermine the whole fabric of business you are unpatriotic, you are disloyal, you are not even showing business gumption, for in the end if unworthy, incendiary, trouble-making publications gain the ascendency throughout the country they will make enough converts to tear down the whole business structure and strew the land with the sort of thing we see rampant in Russia and to some extent in other European countries to-day.

When Ivy Lee was appointed a member of the Rockefeller cabinet for the purpose of advising them concerning the establishment of proper relations with the public, the first thing he said to the stalwarts of 26 Broadway was this: "I will not try to get publicity for you. My mission must be to see to it that every phase of your business is conducted in such a way that the fullest publicity, if it should come, would not harm you one iota. If you conduct your business on a high level the publicity will take care of itself."

The duty of each one of us now is to endeavor to bring about genuine democracy in business and in industry. Capital, if it has not already done so, must vacate its throne of absolutism. Labor must be made to see for itself that it cannot, with profit to itself, attempt to become arbitrary, arrogant, dictatorial, that the public will not stand for autocracy, or absolutism from any quarter. Incidentally, my own deduction is that the November election returns reflected widespread disapproval of what was interpreted as an attempt by President Wilson to dictate to the people as to how they should vote and that they resented even this mild suggestion of dictatorial methods.

What we must strive to reach is a complete understanding between employers and employed. Those at the top must meet the rank and file half way. There must be no attempt, should workers become more plentiful than jobs, to "teach labor a lesson," by wholesale firing, by drastic cutting of wages or by other harsh, haughty methods.

Warming the Viper of Bolshevism

There is less danger from this source, however, than there is from the other, because capital has pretty well learned its lesson. Labor, however is just beginning to feel its strength. It has got the bit in its mouth during the war. When labor's representatives ostentatiously took their seats in the gallery of Congress some time ago the legislators did not dare oppose them. Labor, indeed, has been having its own way entirely. This was all very well and perhaps necessary while everything was on the upgrade, when maximum production was essential no matter at what cost. But a recession in prices and in wages, to my mind, is inevitable. The readjustment will be impossibly difficult if the Bolshevist spirit gain ground.

We publishers have a great, I might almost say, a sacred responsibility. So have you large employers. So have you advertising men. If by our combined efforts we can facilitate the bringing about of twenty-four carat industrial democracy in which the management of corporations will be shared by the workers as well as by the high officials and the directors, than we can hope to keep the national ship on an even keel. Then we can hope to see the United States of America rise to the front rank of the world's financial and industrial powers and become a towering lighthouse for the guidance of other nations. Then shall we fulfill in the highest degree the hopes, the dreams, the aspirations of the founders of this Republic and of that greatest of all Americans, Abraham Lincoln.

But remember that nothing is ever settled until it is settled right.

We cannot settle this momentous problem if each of us seeks only his own aggrandizement, if each of us strives only to feather his own nest and blatantly declares, "Let the devil take the hindmost. I am out for Number One." We cannot do the best we can for Number One unless we do the best we can for others. We have to become our brother's keeper. You cannot do so by trying to make money by mischievous, shortsighted methods. If you try to pick dollars out of barrels of pitch your fingers are likely to be soiled. You cannot play with fire and hope forever to remain unscorched. We must all exert ourselves to the utmost to battle valiantly for the right and to eradicate wrong.

It can be done.

THE ROYAL BANK OF CANADA

Fiftieth Annual Meeting

SIR HERBERT HOLT, PRESIDENT, PAYS GRACEFUL TRIBUTE TO VALOUR OF CANADIAN SOLDIERS

Edson L. Pease, Vice-President and Managing Director, Deals With the Policy of the Bank in Foreign Fields and Announces Important Extensions

C. E. Neill, General Manager, Refers to Features of Growth and Expansion of Past Year

The Fiftieth Annual General Meeting of the Shareholders of the Royal Bank of Canada held at the Head Office was marked by interesting references to the principal problems with which Canada is confronted at the present time.

As one of the most important undertakings is to secure to the Dominion a larger amount of the foreign trade of the world, special references were made to the policy of the Royal Bank in foreign fields and the co-operation the Bank is prepared to give in order to help bring a larger volume of foreign trade to this country.

The General Manager, Mr. C. E. Neill, in submitting the Annual Statement, said:

The statement before you to-day is the best that has been submitted to the shareholders of this bank.

Total assets are $427,512,982.91 as against $335,574,186.52 last year. A portion of the increase—$27,819,291.82—arises from the purchase of the Northern Crown Bank.

Total deposits are $332,591,717.92, the growth for the year being approximately $80,000,000. The relatively large increase in free deposits as compared with interest bearing deposits is due to the transfer of funds to the Dominion Government during the month of November on account of payments on the last Victory Loan. There were heavy withdrawals from the Savings Department in connection with previous Victory Loan issues, but the decrease in interest bearing deposits was temporary, and it may be expected that the withdrawals in connection with the present loan will be made up in due course.

It is interesting to note that subscriptions to the last Victory Loan made through this bank aggregated $104,507,400 of which amount $14,774,564 was due to conversions, the number of our subscribers was no less than 127,085.

The expansion in our circulation continues, the increase for the year being over $11,000,000. The excess is covered by the deposit in the Central Gold Reserve—$26,000,000.

Current loans show a substantial expansion, indicating that we are doing our share in taking care of the commercial requirements of the country.

The liquid position of the bank is more favorable than it was last year, the percentage of liquid assets to liabilities to the public having increased from 53.9% to 56.59%.

From the standpoint of cash reserves we are also stronger, the percentage of cash to liabilities to the public being 17.13% as against 16.36% the previous year.

Our additional investments are chiefly in securities of the Imperial Government and Canadian Government issued for war purposes.

The substantial growth in the bank's assets has resulted in a pronounced increase in earnings. Net profits for the year were $2,809,846.24 being 10.19% on the combined capital and reserve as compared with $2,327,979.51, 8.82% on capital and reserve the previous year. The marked growth in the bank's general business is due to the activities in all branches of trade and increased value of agricultural production.

We must now grapple with the problems of a period of deflation and reconstruction, and we do so with the strong conviction that no serious difficulty will be encountered in surmounting them.

PRESIDENT'S ADDRESS

In moving the adoption of the Directors' Report, Sir Herbert S. Holt, President, said:

I am sure I am giving expression to the thoughts of all present in saying that uppermost in our minds at this time are feelings of relief and thankfulness for the end of the terrible war with which the world has been afflicted for four and a quarter years—an ending of triumphant success to the Allies, without which any relief or thankfulness would be inconceivable. With the relatives of those who have given their lives in our cause, we deeply sympathize. The valor and achievements of Canada's soldiers on the battlefield fill us with pride, and gratitude for their heroic service should be shown in tangible form. The country is their debtor. Satisfactory employment should be found for every returning soldier who is fit to work, and relief extended to the maimed and crippled. In this Bank, unless there is some good reason to the contrary, every officer who enlisted and who applies for reinstatement within a reasonable time after his return will be re-engaged on the salary to which he would have been entitled had he continued in the service, subject to reasonable adjustments, where necessary.

The sudden collapse of Germany and her allies has brought us face to face with the grave economic problems which had been foreseen. Not only must several hundred thousand fighting men be reabsorbed into civil life, but an industrial army must be transferred from the manufacture of war materials to other lines of production. Moreover, before the war financing is completed, it is estimated that our national debt will exceed $1,800,000,000, and in addition we must provide for an annual pension load of approximately $30,000,000.

Such an outlook would have been viewed four years ago with widespread pessimism. To-day it is met with confidence, well founded upon abundant natural resources, demonstration of ability to adapt ourselves to unusual conditions, and wonders performed during the times of war through organization and skilful leadership. In spite of the drain on our man power, industrial efficiency is higher than in 1914, and capacity for production has increased; while many enterprises which were then feeling the stress of hard times are now firmly established. Our exports since 1914 have enabled us to regain the balance of trade which for many years previous had been against us. Our general prosperity is evidenced by the striking increase in bank deposits, and by the success of the Victory Loans, particularly the most recent. In that case the subscription per capita was greater than for any other loan made by the warring nations, with the exception of the third British issue.

ADVISES POLICY OF THRIFT

As all our trade enterprises, both at home and abroad, must be financed by Canadian capital, their success will be measured by the extent of our national capacity for self-denial. To encourage the habit of thrift among all classes, the Government has inaugurated a War Savings Stamp campaign similar to that which proved so popular in Great Britain and the United States. It is unnecessary to enlarge on the value of individual and national thrift. In England the War Savings Committee have recently announced that the organization built up by it throughout the country will be continued as a permanent part of the national machinery. The development of the habit of saving in England has met with marked results, the number of holders of Government securities increasing from 345,000 at the beginning of the war to over 17,000,000 to-day. The success of the movement in England would seem to justify its permanent retention in this country.

CAPITAL MUST NOT BE HAMPERED

The Business Profits War Tax Act ceased to apply on the 31st day of December, 1918, except in the case of any company or person who had failed to make returns. The Minister of Finance has wisely made the provisions of this Act practically co-terminous with the period of earning of large profits incidental to special business during the war. If labor is to be given its full opportunity, the capital which finds employment for it must not be hampered.

Since the signing of the armistice a marked tendency has been evident on the part of those in authority in England and the United States to extend the system of paternalism, which was only approved as a war measure. Organizations which have attained maximum efficiency through individual enterprise and experience will now likely pass under the control of inexperienced political executives and unenterprising officials. At this time, when the need for national economy was never greater, it seems imperative that administration should be left in the hands of the most capable, with Governmental assistance whenever it can be usefully extended, and Governmental regulation wherever public interest demands.

THE VICE-PRESIDENT

In seconding the motion for the adoption of the Directors' Report, Mr. E. L. Pease, Vice-President and Managing Director, said:

The President in his address has referred at length to the salient features of the post-war position, and the General Manager has reviewed the course of the Bank's business during the past year. I shall refer more particularly to the extension of the bank's operations in foreign fields and our policy in that direction.

In June last we established a branch in Barcelona, Spain, in order to participate in the large trade between that country and her former colonies, where we have many branches, and I am pleased to say the results have greatly exceeded our expectations.

We are now preparing to open in Paris, France, in order to secure a share of the commerce which is expected to develop with Canada in the rehabilitation of northern France and Belgium.

In consideration of the Commission sent to Siberia by the Dominion Government and the developments to follow, officers have been sent to Vladivostock, Siberia, to open a branch there. This action was taken with the commendation of the Government. The Commission, which comprises representatives of agricultural, mining, transportation and financial interests, was sent to aid in supplying the pressing needs of Russia, and assist in stabilizing conditions there. The organization of a Siberian Supply Commission will follow, and through it goods will be purchased in Canada for shipment to Russia. Siberia needs many commodities which Canada can supply, such as agricultural implements, shoes and clothing.

If Canadian industries are to flourish and increase in the face of the world's competition, our manufacturing processes must be improved, all waste eliminated, by-products utilized, and research encouraged. In the new order of things there is no room for antiquated or unscientific methods. A step in the right direction is the formation of groups of Trade Guilds with the object of applying scientific knowledge to the problems of various industries. These guilds follow the plan developed with such rapidity and success in the United States and in Great Britain, where more than thirty are now in operation. The determining factor in our success will be progress in scientific research, through which a new impetus will be afforded to industrial activity.

EXTENSION OF EXPORT TRADE NECESSARY

The extension of Canada's export trade is vital to her commercial self-preservation and future economic welfare. Only by creating a large favorable balance of trade can we hope to meet the interest of our foreign debt. A great opportunity lies in the speedy development of all the possibilities of our live stock industry, which during the past five years has experienced a phenomenal growth. It is capable of far greater expansion, and as the world's production of animal food stuffs will not be equal to the demand for many years to come, high prices and good markets are assured. A special trade and commerce committee has been sent to London with a view to securing special business from the Allies during the period of reconstruction, which would mean genuine prosperity for several years, but beyond this we need to promote permanent trade relations with South America, the Orient and other portions of the Empire. Other countries are making great preparations to exploit these fields, and there is no reason why Canada should not play an important part in the competition. Our manufacturers demonstrated their technical skill and efficiency in producing munitions and other commodities during the war at a lower cost than the United States. We possess an important advantage in our cheap lumber and paper. The vigorous shipbuilding policy of the Government will provide in the course of the next eighteen months forty-five vessels of a total dead weight tonnage of 246,000 tons, and thus afford direct communication with foreign countries. Of our large imports of tropical products from the West Indies and South America, only about one-fifth reaches us directly. Four-fifths are discharged at United States ports for trans-shipment to Canada, and the steamers which bring them are laden on the return voyage with American goods.

CANADIAN BANKS CAN HELP

The Canadian banks can effectively aid our export trade by establishing branches in foreign countries and supplying information to the Canadian exporter to enable him to judge of trading possibilities, such information to include statistics relative to the demand for our manufactured and raw products, methods of transacting business, rules and regulations to which business interests must conform, and the standing and credit of business houses. British banks exist in almost every foreign country, and have proved a powerful factor in the development of Great Britain's world-wide trade. Lloyd's Bank recently purchased the assets of the London & River Plate Bank, the largest bank in South America. Germany's trade was promoted by her banks, and American banks are rapidly establishing foreign branches.

Are we going to accept the crumbs of foreign trade without serious competition on our part? It does not follow that Canadian deposits would be diverted to foreign fields—the experience of this Bank has proved the contrary. Our foreign deposits have always exceeded our foreign commercial loans, as the Government returns show. The present excess is over $15,000,000. We have now had twenty years' experience of banking in Cuba, the West Indies and Central America. During this period our losses have been infinitesimal—much under the percentage incurred in Canada, because the business represents chiefly the movement of staples, accommodation paper being inconsiderable. That Canada's trade is benefited by these branches is shown by the numerous business enquiries received. At the same time it cannot be said that we have neglected home interests. The number of our branches in Canada exceeds that of any other bank. With a view to the extension of Canada's foreign trade and encouraged by our past success in this field of banking, for which we are well equipped, we have decided, after long consideration and carefully studying the situation, to open three branches in South America, at Rio de Janeiro, Brazil; Montevideo, Uruguay, and Buenos Ayres, Argentine. Members of the staff for these branches have already been selected, and are about to leave for South America.

I cannot close without some reference to the achievements of the men who have so splendidly represented our country abroad. They have made the name of Canada great in war—it is for us to keep it great in peace. With thrift, co-operation, organization and wise leadership, we may hope to build up a nation strong in its own strength and a worthy partner in the Empire.